

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.24%	▲ 1.43%	\$1,700.86	\$69.36	▼ 0.87%	▼ 0.23%	▼ 0.03%	▼ 0.04%	BUY TK 83.95	99.00	115.33	12.66
5,584.30	9,770.93	(per ounce)	(per barrel)	50,405.32	28,864.32	3,013.85	3,501.99	SELL TK 84.95	102.80	119.13	13.31



# Star BUSINESS

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## A YEAR OF PANDEMIC WHERE'S THE ECONOMY HEADED?

### From ruin to revival

MD FAZLUR RAHMAN

A year ago on this day the government confirmed the maiden positive case of the coronavirus disease in Bangladesh, roughly three months after its outbreak in China.

The biggest blow came on March 18 when the first person died from the illness linked to the deadly virus. As the cases spread rapidly, the government had to impose a strict lockdown.

It came about overnight and just upended everything. People's lifestyle changed. Livelihoods were disrupted. Schools, colleges and universities were shut, shops shuttered down and offices closed their doors.

Millions lost jobs due to the lockdown. Incomes for many fell as much as 95 per cent. The poverty rate doubled. Exports nosedived as developed countries put in place strict lockdowns.

Migrant workers came returning in droves as jobs abroad dried up, threatening to disrupt the flow of the cheapest source of foreign currency for the country.

There was internal reverse migration. The sharpest drop in incomes and higher food inflation became so unbearable that 10 million



The government had no other option but to partially reopen the economy. Bangladesh could not afford a lengthy lockdown.

PALASH KHAN

rickshaw pullers, day labourers, factory workers, housekeepers and others raced to get home before the start of the nationwide lockdown, wrote Asif Saleh, executive director of Brac, the world's largest NGO, in an article in April last year.

The densely populated country was staring at a humanitarian crisis because of its weak health system and a majority of its people's inability to

stop working even for a few days.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, finds nothing in the country's 50 years of independence to come even close to the crisis.

"Bangladesh has not seen any widespread recession since famine-hit, war-torn 1974. I did not see another year when the impact has been so deep and wide, and that touched everybody," he said.

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### Remdesivir proves pharma strength

JAGARAN CHAKMA

Amidst the perfect storm stirred up by Covid-19, a drug used to treat a wide range of viral infections emerged as a silver lining for treatment seekers.

Proving effective in the treatment of severe Covid-19 cases, the drug taking the generic term remdesivir had countries all over scrambling after it.

Bangladesh was no exception and soon after the pandemic was declared in March last year local pharmaceutical companies started manufacturing it.

Remdesivir's potential to help Covid-19 patients is based on its ability to disable the mechanism by which certain viruses, including the novel coronavirus, replicate themselves and potentially overwhelm their host's immune system.

"(Being able to manufacture the drug) was a big achievement for local pharmaceuticals and the country as the number of casualties fell sharply after it was approved for use," said Prof ABM Faruque of pharmacy at the University of Dhaka.

Being a least developed country, Bangladesh was granted access to the patent to manufacture remdesivir for public use.

Local pharmaceutical companies were then able to utilise their capabilities in making the drug in the shortest possible time thanks to government support, Faruque added.

By the end of fiscal 2020-21, the pharmaceutical sector could fetch up to Tk 700 crore exporting remdesivir, according



to industry insiders.

Currently Eskayef (SK-F), Beacon, Incepta, Beximco, Healthcare and Square are producing the drug, which was first developed by US biopharmaceutical company Gilead Sciences.

Remdesivir had proved ineffective in treating those afflicted with SARS or Ebola. But it later resurfaced as a viable treatment for coronavirus infections after experiments carried out by Gilead indicated that the condition of patients who received the drug showed notable signs of improvement.

On a more local scale, Maj Gen Md Azizul Islam, consultant physician general of Bangladesh Armed Forces, said the results on the use of remdesivir for Covid-19 treatment has been encouraging.

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### Activities back, incomes not

ZAHID HUSSAIN

We are going through an unprecedented time, which is economically troublesome.

Even if we accept the official GDP growth rate of 5.24 per cent in the last fiscal year, it means a decline from 8.2 per cent. When did we see such a steep decline in growth?

There has been a huge disruption to the livelihood of the workers, particularly those employed in the urban informal services and the export-oriented industries in the formal sector.

Surveys showed incomes of ordinary families dropped by 50 per cent to 80 per cent during April and May, the two months that saw the severest form of the pandemic.

Millions of jobs were wiped out overnight. The reverse migration the initial weeks of the pandemic has been unprecedented in the history of Bangladesh if we excluded what happened during the famine in 1974.

We are used to sending people abroad. This time, people returned in droves as their host countries closed borders and cut jobs.

The ever-bigger migration took place from urban centres to rural areas. Because of the sharpest drop in incomes and higher food inflation, it became so unbearable to people that they started to head to their home villages.

The poor have become poorer. The vulnerable groups have become even more vulnerable and slipped below the poverty line.

Headcount poverty rate was about 20 per cent in 2018, and it shot to as high as 42 per cent in December 2020.

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### Cashless transactions get a fillip

AKM ZAMIR UDDIN

After receiving his monthly salary through a bank account, Siddique Ahmed Rubel, an employee of a nongovernmental organisation, used to withdraw a large portion of his earnings through ATM booths in order to meet expenses. However, the ongoing coronavirus pandemic has brought drastic changes to his lifestyle as he now hardly carries cash.

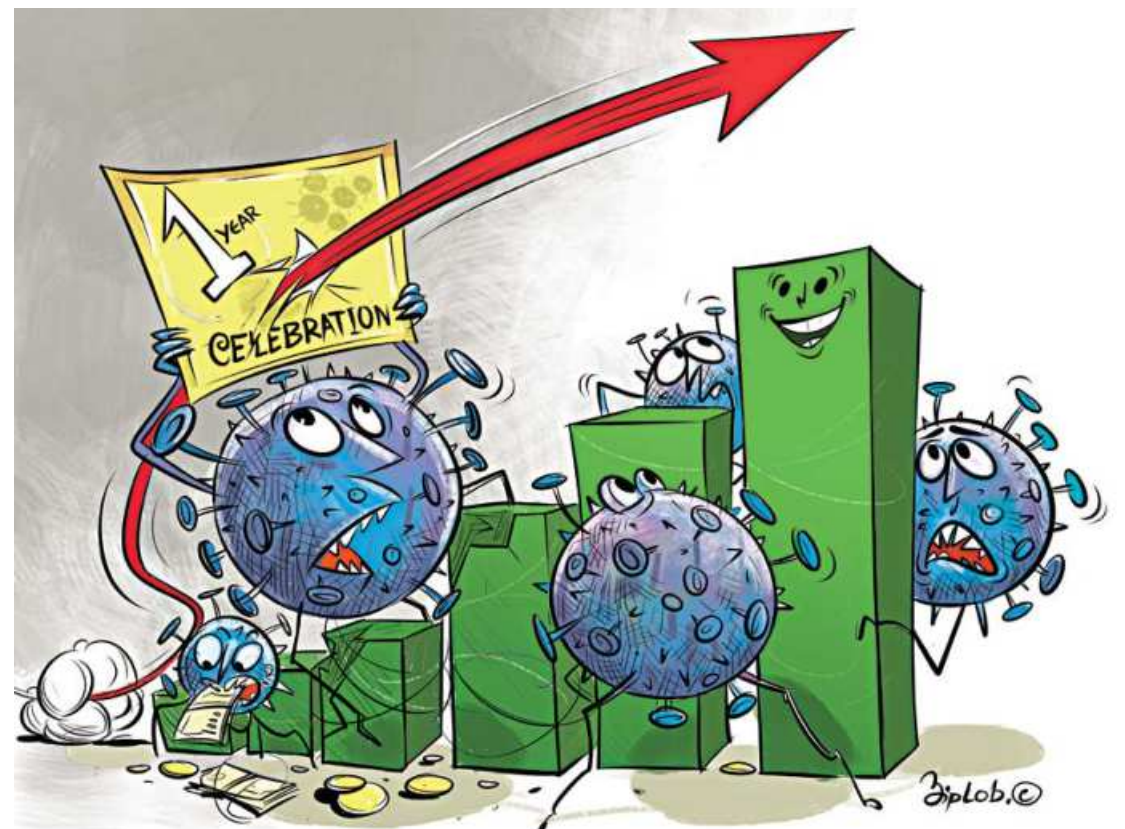
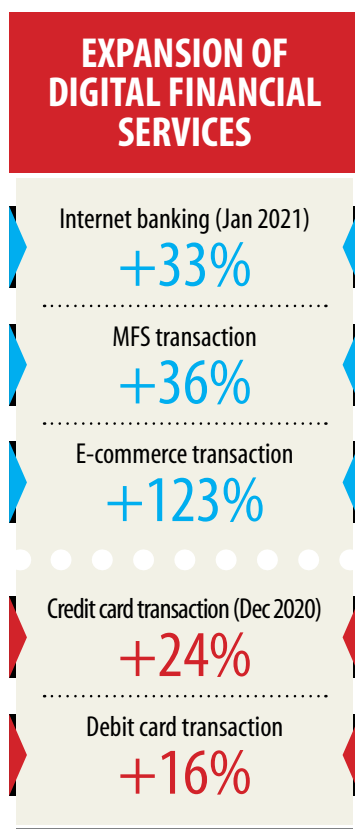
"Although I had a debit card before the beginning of the pandemic, I did not know how to use mobile banking applications," Rubel said.

"I was compelled to learn the use of these applications after the government imposed a nationwide lockdown between March and May," he added.

Initially, Rubel used digital financial services (DFS) to avoid leaving home in fear of infection but he now enjoys the convenience provided by these facilities.

"Around 70 per cent of my monthly earnings are spent through DFS platforms, which are a highly secured and comfortable means to make transactions," he said.

Rubel is not a solitary case though as a large number of people have joined the DFS



bandwagon.

As a result, cashless transactions have increased significantly in recent months and this has had a positive impact on the economy as a whole.

For instance, the country has to count more than Tk 9,000 crore in transactions each year due to its heavy dependence on cash, according to a Bangladesh Bank report prepared in 2019.

Shops and banks have to bear the most—33 per cent each—for using cash followed by corporate entities 13 per cent, the government 10 per cent and individuals 6 per cent, the report said.

The report styled "Reducing the cash transaction" mentioned that the maintenance cost of printed money is nearly 0.5 per cent of the country's gross domestic product.

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### Stock market almost a man's world

AHSAN HABIB

The presence of women in Bangladesh's stock market is very low, as only 25 per cent of beneficiary owner's (BO) accounts are owned by them as per the Central Depository Bangladesh's data as of March 4.

The situation is worse compared to that in the previous year when it was around 27 per cent.

The situation is similarly depressing in the brokerage business, when female participation stands at just 8 per cent, according to the Dhaka Stock Exchange (DSE) data. Most got their licence ownership transferred from either their parents or husbands.

Stock market is a risky place and women prefer low-risk generating tools as they face more questions from families if they incur losses, said Khugesta Nur E Naharin, managing director of Modern Securities.

When a man incurs loss, he

#### WOMEN'S PARTICIPATION IN STOCK MARKET

MARCH 4, 2021	MARCH 9, 2020
Total BO accounts: <b>26.49</b> lakh	Total BO accounts: <b>25.65</b> lakh
Female: <b>6.86</b> lakh	Female: <b>6.84</b> lakh
Male: <b>19.62</b> lakh	Male: <b>18.80</b> lakh

faces very little question from his family, said the first elected female director of the DSE.

"As women's income level is still low in our country compared to that of men, they face funding problems as well," she said.

In the stock market, an investor needs to take decisions and men do not want to allow women to take decisions, so most of them are running the stock market businesses on their own, said Naharin.

"So, the main problem is our perception," she explained.

Most females who do have a BO account are active in the

primary market, she said, adding that female participation in the secondary market was very low.

Actually, the problem persists not only in the stock market but almost everywhere, she added.

"I'm hopeful that the new generation would change the scenario," said Naharin.

Some people think the complexity and risky nature of the business are the main reason for a lower presence of females in the stock market but in reality, that is not the case, said stock investor Tashfia Rahman.

The stock market mainly

runs on investments of income-generating people who have extra funds at hand, said Rahman, a mid-level official of a private bank.

As women have to look after their families once they are done with their day jobs, they rarely have the time to ponder over making investments in the stock market, she said.

So, most women prefer to invest in savings certificate or banks deposit, she said.

Many do not even know that now stock market investments can be made totally online, so they do not show any appetite for the market, Rahman added.

The image crisis afflicting the stock market is one reason for it being the least demanded investment tool among women, said Latifa Khayer, another stock investor.

Many women have funds but they assume the market is a place for gambling and they do not want to invest here, she said.

### Stop running offensive campaigns against each other

BB asks MFS providers

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked e-wallet or digital money service providers to refrain from creating propaganda against one another.

It has been found that some mobile financial service (MFS) providers, payment service providers and payment system operators have recently started derogatory campaigns against each other by way of publishing advertisements in newspapers, YouTube and other websites, Bangladesh Bank said in a circular.

In some cases, Fintech companies even attacked each other's clients through direct messages. They also distributed leaflets, put up posters and billboards, said the BB.

"One provider trying to tarnish the image of another is completely unexpected," the central bank said, asking the digital money service providers to prevent the use of aggressive words as per the provision of the National Broadcast Policy 2014.

The banking regulator issued the circular nearly two weeks after it summoned and



rebuked the top officials of two leading MFS providers—Nagad and bKash—for introducing offensive campaigns against each other.

BB warned them verbally to not conduct such activities that would lose clients' confidence on the whole MFS sector.