

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.57%	▲ 0.66%	\$1,814.42	\$73.35	▼ 0.92%	▼ 0.88%	▼ 1.08%	▼ 0.79%	BUY TK 83.95	97.92	114.79	12.71
6,212.76	10,810.81	(per ounce)	(per barrel)	52,568.94	28,118.03	3,107.59	3,525.50	SELL TK 84.95	101.72	118.59	13.37

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# Star BUSINESS

DHAKA FRIDAY JULY 9, 2021, ASHAR 25, 1428 BS • starbusiness@thedailystar.net



**Harun ur Rashid ponders how to get by amidst a dearth of customers for the ongoing strict lockdown, at his bedding store in Nilkhet yesterday. Small businesses have been feeling the heat of the pandemic-induced economic slowdown for the past one and a half years. The situation has taken a turn for the worse during the current restrictions.**

PHOTO: SK ENAMUL HUQ

## Private credit growth sinks to 28-year low

AKM ZAMIR UDDIN

Bangladesh's private sector credit growth decelerated to 7.55 per cent in May, the lowest in at least 28 years, due to the depressed demand for loans amid the Covid-19 pandemic.

Banks have also adopted a cautious approach to giving out credit as loans tend to become non-performing given the ongoing business slowdown.

In the last one year, lenders have largely disbursed the stimulus fund introduced by the Bangladesh Bank and hardly lent from their own pockets.

As a result, the private sector credit growth has been on a downward path. It stood at 8.29 per cent in April, way lower than the central bank's target of 14.8 per

the volume of the stimulus loans disbursed. "This means banks have given focus to the stimulus packages while disbursing loans," Mansur said.

The government has so far declared 23 stimulus packages involving Tk 128,440 crore, which is 4.59 per cent of the gross domestic product. Of the sum, the BB has set a target to inject around Tk 97,000 crore.

The central bank's initiative to pump the stimulus funds and the lower disbursement of loans by banks have caused the excess liquidity in the banking industry to balloon.

Excess liquidity stood at Tk 211,688 crore in May in contrast to Tk 201,546 crore a month ago, data from the BB showed.

"This has created a new monetary challenge for the central bank as borrowers who have little scope to invest in the

## Despair mounts for the debt-trapped

*Micro-businesses, informal workers see incomes fall further amid lockdown*

MAHMUDUL HASAN and SUKANTA HALDER

Debt-ridden micro-businesses and informal workers in Bangladesh are staring at new economic distress as incomes evaporated because of the ongoing strict lockdown, which could impose an additional financial burden on them and deepen their plights.

On July 1, the government was forced to reinstate a nationwide curb on movement,

closing offices and banning non-essential business activities, as the Delta variant of the coronavirus is sweeping across the country.

Now, the small businesses and informal workers, which have been feeling the heat of the pandemic-induced economic slowdown for the past one and a half years, fear that the restriction, if extended, could leave them without income for a long period and may lead to partial starvation.

"The lockdown will completely wipe out my income ahead of Eid. I don't know how I will buy the groceries," said Mohammad Masud, a vendor who sells clothing items from his van in the capital's Farmgate.

The breadwinner of a six-member family, Masud had to close his business for lockdowns twice: for three and a half months from March to May last year during the first lockdown and for 15 days in April this year during the

second one.

He started to borrow since the first lockdown, and now his total debt stands at Tk 2 lakh.

"There is a huge gap between income and expenditure. I forgot the last time I bought a kilogramme of beef for my children."

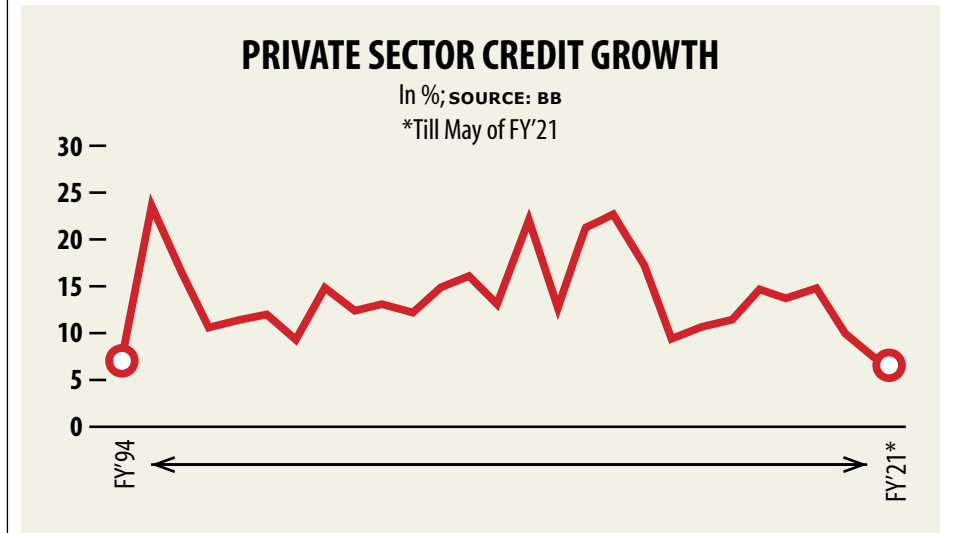
This is because his monthly income has plunged to Tk 8,000 from Tk 15,000. But he can only earn when makeshift shops remain open.

"My daughter has been sick for five days and my son for three days. But I couldn't take them to hospitals as I have no money," he said.

According to experts, the impact of the economic downfall will last longer for the financially vulnerable sections as many of them were pushed into a debt trap.

In April, the Citizen's Platform for SDGs, Bangladesh, in a study, found that a large number of households were likely to fall into a debt trap as their savings depleted.

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cent for the just-concluded fiscal year.

"There is no scope for the credit and GDP growth to make a turnaround until the country can rein in the spread of the coronavirus pandemic," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The credit growth may decline further in the coming months if the government fails to accelerate its vaccination programme, he said.

The outstanding loans in the private sector stood at Tk 11,71,808 crore in May. The amount has expanded by Tk 82,252 crore in the last one year, almost equal to

productive sector may choose the bubbling zones such as the housing sector and the capital market," Mansur said.

"The central bank should take initiatives immediately to mop up the fund from the financial sector, or else it may create an inflationary pressure."

However, the former economist of the International Monetary Fund suggested the central bank expand its volume of stimulus fund for small and medium enterprises to help the economy recover from the existing sorry state.

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## Have a TIN? Get ready to file tax return

SOHEL PARVEZ

Every year, the last week of November sees a mad rush of individual taxpayers at the tax offices and tax farms. The reason is obvious: the final deadline to file annual income, expenditure and wealth statements without penalty is November 30, termed as Tax Day.

However, one can easily avoid the hassle of hurriedly filing a return as early preparation is the answer. One can furnish his or her tax return much earlier than November as the timeframe for submitting income statements to tax offices begins from July 1 and ends on November 30 every year.

Filing returns after the deadline is possible but with penalty. But who has to file tax returns? Is it only for those whose income crossed Tk 300,000 in the July-June



period of fiscal 2020-21?

Not at all.

If you have a Taxpayer Identification Number (TIN) just for a credit card or to sell land but do not have any income at the moment, you are free from submitting tax returns.

Other than this though, if you have a TIN, you need to comply and file tax returns, according to the Income Tax Guidelines 2021-22 for individual taxpayers, released by the National Board of Revenue (NBR) recently.

The tax authority has made the filing of tax returns mandatory for persons in 22 areas, including individuals who have 12-digit TINs.

In addition, people working in the public sector with a basic salary of Tk 16,000 and above will also need to furnish tax returns.

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## Bicycle exports hit a new high

JAGARAN CHAKMA

Bicycle exports have hit a new high, buoyed by increasing demand for the green mode for transportation aiding social distancing in the face of a surging number of coronavirus infections.

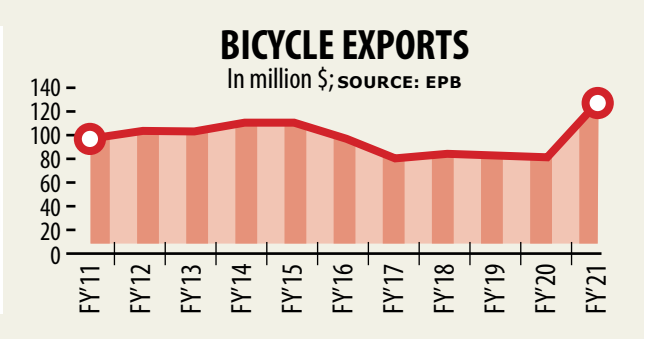
Manufacturers registered 58 per cent export growth year-on-year to \$130 million in fiscal 2020-21, Export Promotion Bureau (EPB) data shows.

The previous high was \$126 million in fiscal 2014-15.

"People in European countries are preferring bicycles in their efforts to maintain social distance owing to the coronavirus," said Md Luthful Bari, director of operations of Meghna Group, the country's biggest bicycle exporter.

"The health consciousness has fuelled demand and use of bicycles," he said.

Bicycle exports had been on



the downturn since fiscal 2014-15. The two wheeler is exported to European markets and demand began recovering following the Covid-19 outbreak, said exporters.

Kamruzzaman Kamal, director for marketing of Pran-RFL Group, said the business houses export bicycles in bulk quantities to the European Union countries, including Germany.

The Covid-19 pandemic has triggered demand for bicycles worldwide and especially in northern Europe, he said, adding that they exported 3 lakh bicycles last fiscal year, posting a 60 per cent growth year-on-year.

"The demand will also increase in upcoming days as European people like to use two wheelers due to rising health consciousness and

for excursions," said Kamal.

RFL Bike Industry has a capacity to manufacture 10 lakh bicycles per year.

Bari, also secretary to the Bangladesh Bicycle and Parts Manufacturers' and Exporters' Association, said the global bicycle market size was valued at \$54.44 billion in 2020.

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## Trial use of lighter jetty begins

DWAIPAYAN BARUA, CTG

Around eight years past being constructed by the Chittagong Port Authority (CPA), one of the four lighter jetties started undergoing trial operations yesterday.

Kabir Steel Re-Rolling Mills (KSRM), one of the country's leading steel manufacturers that attained a lease in May 2018 to use the jetty for unloading imported scrap, began unloading goods there in the afternoon.

KSRM yesterday unloaded imported scrap from lighter MV Jahan Moni-1.

KSRM Chief Executive Officer Meherul Karim said they started unloading goods at the jetty on a trial basis and would monitor how it performed.

Still, there are some infrastructure works to be completed since the jetty lacks many facilities, including sheds for workers' stay and toilets, while a back access road was still too narrow for big-sized trucks, he said.

KSRM Deputy Managing Director Sarwar Jahan said the lighter jetty would, somewhat, be helpful for their production supply chain.

Usually, a portion of scrap imported in big-sized vessels is unloaded onto smaller lighters at the outer anchorage of the Chattogram port to reduce their draft and enable them to access berth in the port's main jetty.

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Scrap metal imported by KSRM being unloaded from a lighter at one of the four dedicated jetties constructed at Sadarghat area by Chittagong Port Authority. The photo was taken yesterday.

RAJIB RATHAN

## Stocks break 2-day losing streak

STAR BUSINESS REPORT

Stocks regained yesterday, breaking a two-day losing streak thanks to the buying spree of investors.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 35 points, or 0.57 per cent to 6,212.76.

Turnover, an indicator of liquidity flow in the market, dropped 5 per cent to Tk 1,491 crore from Tk 1,577 crore a day earlier.

At the DSE, 191 stocks advanced, 155 declined and 28 remained unchanged.

Tamijuddin Textiles topped the gainers' list, rising 10 per cent, followed by Paper Processing & Packaging, CVO Petrochemicals, Bangladesh Monospool Paper Manufacturing, and Sonali Life Insurance.

Stock of Beximco Ltd traded the most, worth Tk 102 crore, followed by LafargeHolcim Bangladesh Keya Cosmetics, Beximco Pharmaceuticals, and Aman Feed Mills. Trust Bank shed the most, falling 11.34 per cent, followed by Envoy Textiles, Fas Finance, ICB Islamic Bank, and Olympic Accessories.

The port city bourse also rose yesterday. The CASPI, the general index of the Chittagong Stock Exchange, advanced 120 points, or 0.67 per cent, to 18,001.

Among 321 traded stocks, 159 advanced, 136 dropped and 26 remained unchanged.