

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.87%	▲ 1.14%	\$1,814.10	\$73.19	▲ 0.69%	▲ 1.82%	▼ 0.18%	▲ 1.97%	BUY TK 83.95	98.59	115.80	12.75
6,481.56	11,318.14	(per ounce)	(per barrel)	52,950.63	27,781.02	3,161.22	3,464.29	SELL TK 84.95	102.39	119.60	13.40

# Star BUSINESS

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## ADP spending rebounds

But still nowhere near pre-pandemic level

REJAU KARIM BYRON and  
MID FAZLUR RAHMAN

Development spending in Bangladesh rebounded in the last fiscal year although the implementation rate was still one of the lowest in three decades because of the disruption caused by the coronavirus pandemic and structural weaknesses.

The pace of execution of the annual development programme (ADP) sank to a 27-year low of 80.18 per cent in the fiscal year of 2019-20 as projects halted for two months in April and May last year after the government was compelled to enforce a countrywide shutdown to curb the rising cases of infections.

It bounced back to 82.21 per cent in the last fiscal year of 2020-21 after the government spent Tk 209,272 crore out of the Tk 209,272 crore set aside for the ADP projects, shows data from the Implementation Monitoring & Evaluation Division (IMED) of the planning ministry.

It is nowhere near the average implementation rate of 90 per cent in the pre-pandemic level

and was, in fact, the third-lowest since FY1993-94, according to the Bangladesh Economic Review.

The development spending stood at Tk 49,920 crore in June, up 7.77 per cent from Tk 46,319 crore in the same month a year ago.

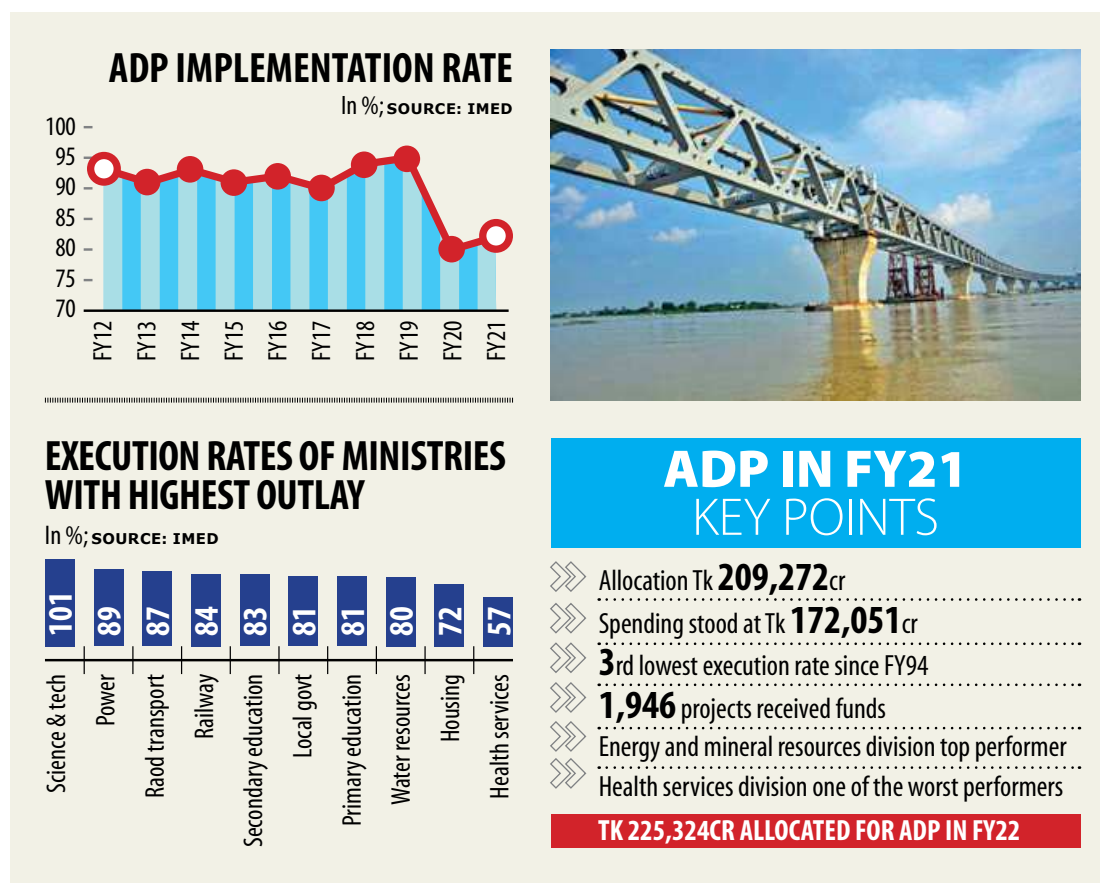
In FY21, the government expended Tk 111,981 crore from its coffers, which is 83.17 per cent of the allocation. The expenditure, however, went past the pre-pandemic level of Tk 111,165 crore.

It used up Tk 52,462 crore from the development assistance, which accounted for 83.27 per cent of the target.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said, "Something never changes in our budgetary management. ADP implementation is surely one of them."

"It has not kept pace with the increase in the size and number of projects. Despite the implementation shortfall, we do not see change in these aspects."

The root causes of the problem



## Remittance slips to 5-month low

Post-Eid effects, fewer working days for banks to blame

STAR BUSINESS REPORT

Remittance flow to Bangladesh fell to a five-month low of \$1.87 billion in July because of the post-Eid effects and fewer working days for banks.

The receipts are down 28 per cent year-on-year and 4 per cent from a month ago, according to data from the Bangladesh Bank.

In February, the Bangladeshi diaspora sent home remittance amounting to \$1.78 billion. Since then, the inflow ranged between \$1.9 billion and \$2 billion a month before declining in July.

It had hit an all-time high of \$2.6 billion in July last year.

BB officials say migrant workers usually send a significant amount of remittance before Eid-ul-Fitr and Eid-ul-Azha to their near and dear ones. So, remittance decreased sharply in the last week of July.

Bangladesh celebrated Eid-ul-Azha, one of the largest religious festivals for Muslims, on July 21. Banks were also closed during the three-day holiday.

"The inflow declines after the festivals to some extent," said Md Arfan Ali, managing director of Bank Asia.

In addition, the number of working days for banks was also lower than usual in July, putting an adverse impact on the inflow, he said.

Banks were closed between July 1 and July 4.

July 1 was the Bank Holiday. Banks also did not open on July 2 and July 3 because of weekends.

In addition, the central bank asked them to remain shut on July 4 as part of the government efforts to contain the coronavirus pandemic.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says it is too early to comment on the remittance trend as it might bounce back in the coming months.

"It will take at least three to four months to understand the situation."

Remittance posted 36 per cent year-on-year growth last fiscal year, the sharpest in 30 years. Expatriates sent home \$24.78 billion in 2020-21 in contrast to \$18.20 billion a year ago.

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## IPDC profit jumps 30pc

STAR BUSINESS REPORT

IPDC Finance witnessed around 30 per cent growth in profits in the first half of 2021 despite the second wave of Covid-19 infections sweeping across Bangladesh.

The listed non-bank financial institution, which started its journey in 1981, logged net profits of Tk 41 crore during the period this year while it was Tk 31.6 crore in the same period last year.

The company's credit portfolio rose 15.7 per cent to Tk 6,202 crore compared to that on January 1, 2021. During the same period, its customer deposits registered growth of 4.1 per cent to reach Tk 4,307 crore.

In the first half of the year, its revenue rose 4.2 per cent to Tk 169 crore while expenses rose 4.7 per cent to Tk 59 crore.

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## Let restaurants reopen after Aug 5

Owners say 60,000 outlets at risk of permanent closure

STAR BUSINESS REPORT

Restaurant owners have urged the government to allow their shops to reopen after August 5 as roughly 60,000 enterprises in the sector are at risk of permanent closure due to the ongoing Covid-19 pandemic.

The Bangladesh Restaurant Owners' Association (BROA) made this plea at a press conference held at the Dhaka Reporter's Unity yesterday.

At least two crore people that are either directly or indirectly employed by the sector have been leading miserable lives ever since the pandemic began in March last year, according to BROA Secretary General Imran Hasan.

Around 80 per cent of the country's eateries are closed amid the current nationwide lockdown that began on July 23. The situation was similar during the two-month lockdown last year.

"As a result, the sector lost thousands of crores of taka, forcing many to sell their assets to keep their businesses afloat," Hasan said.

"Please save us, many of us cannot run their business," he added. Over the past decade, the number of restaurants in Bangladesh soared amid increased demand



Around 80 per cent of the restaurants in the country are closed amid the current nationwide lockdown that began on July 23. The situation was similar during the two-month lockdown last year.

STAR/FIELD

for eating out.

The total number of restaurants rose 59 per cent to 4.36 lakh in 2019-20 from that a decade ago.

A survey by the Bangladesh Bureau of

Statistics found that restaurants employed 22.8 lakh people as of 2019-20, up from 9 lakh a decade ago. "So, let us open the restaurants at half capacity if not in full-swimming amid the pandemic," Hassan said.

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REPLY TO SHOW CAUSE NOTICE

## Panel to decide on Evaly's plea for more time

STAR BUSINESS REPORT

The commerce ministry will form a committee to decide whether it would provide six months to Evaly after the digital platform sought the time to respond in detail to the show-cause notice it received.

On July 19, the ministry sent a letter to Evaly, asking it to explain by August 1 how it would settle its current liabilities to customers and merchants. Evaly's reply came on the last day of the deadline.

The notice ordered the e-commerce site to come up with an explanation why no legal action would be taken against it to protect customers and merchants and prevent the digital commerce sector from any negative impact.

It also inquired about the company's business practices. "The company has given a reply and sought six months to provide its response in full. A committee will decide whether the ministry will give it the time," Hafizur Rahman, additional secretary of the ministry, told The Daily Star.

A committee will be set up after August 5, and it would sit immediately, he said.

The body will comprise representatives of Bangladesh Bank, the home affairs ministry, the Directorate of National Consumer Rights Protection, and e-Commerce Association of Bangladesh.

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## We Mourn

We, Dhaka Bank Limited express our deepest sympathy and grief at the sad demise of Mrs. Najma Dowla, Director of ACI Limited and its subsidiaries. She was the wife of Mr. M Anis Ud Dowla, Chairman of ACI Limited, a renowned industrialist.

The Board of Directors and Management of Dhaka Bank are praying to the Almighty Allah for the salvation of the departed soul and to grant her Jannatul Ferdous. We convey our heartfelt condolences to the bereaved family to bear the loss.



Najma Dowla

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**আমরা শোকাহত**

এসিআই গ্রুপের পরিচালক মিসেস নাজমা দৌলা গত ২৮ জুলাই ২০২১ রাত ১১:৪৫ মিনিটে পরলোকগমন করেন (ইন্না লিল্লাহি ওয়া ইন্না ইলাইহি রাজিউন)। তিনি এসিআই গ্রুপের চেয়ারম্যান জনাব মোঃ আনিস উদ দৌলার সহধর্মিণী।

ঠাঁর মৃত্যুতে যমুনা ব্যাংক পরিবার গভীরভাবে শোকাহত এবং আমরা মহান আল্লাহ্ তা'আলার দরবারে মরহুমার বিদেহী আত্মার চির শান্তি কামনা করছি।

**JAMUNA BANK**