

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.92%	▲ 0.88%	\$1,802.42	\$70.83	▲ 0.23%	▲ 0.52%	▼ 0.25%	▼ 0.31%	BUY TK 83.95	98.26	115.71	12.76
6,596.07	11,513.32	(per ounce)	(per barrel)	54,492.84	27,728.12	3,175.10	3,464.55	SELL TK 84.95	102.06	119.51	13.41

Star BUSINESS

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PANDEMIC IMPACT

Economy hit harder than thought



REJAUU KARIM BYRON and SOHEL PARVEZ

Bangladesh's economy grew 3.51 per cent in the fiscal year of 2019-20, the slowest pace of expansion in three decades, as the Covid-19 pandemic wreaked havoc on the whole spheres of the country, according to the final figure of state-run Bangladesh Bureau of Statistics (BBS).

This is nearly two percentage points

lower than the estimate the government has so far maintained.

Economic activities began to recover gradually in the subsequent fiscal year 2020-21 following the lifting of the more than two-month-long countrywide shutdown. The pace continued until the beginning of the second wave of coronavirus in March 2021.

As such, the BBS has come up with a provisional estimate of 5.47 per cent gross domestic product (GDP) growth for the just-concluded fiscal year based on March-April data.

Economists say the BBS's FY20 GDP estimate was close to reality. However, the provisional estimate of FY21 is likely to decline in the final revision due to recurrent hiccups in business and economic activities amid lockdowns since April to contain the resurgence of the virus.

The BBS estimates are in line with the International Monetary Fund's projection of the GDP growth of 3.8 per cent in 2020. Other international agencies such as the World Bank also painted a similar picture.

The provisional estimates for FY21 were close to the growth projection of 5.5-6 per cent made by the Asian Development Bank in April.

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SUZIT KUMAR DAS

Farmers of Khoar village under Saltha upazila in Faridpur collect fibres from jute plant after retting. Jute has been cultivated on 7 lakh hectares of land this season throughout the country, up 3 per cent from that a year ago, official data shows. Faridpur district accounted for 10 per cent of the 77.25 lakh bales of the natural fibre grown in Bangladesh last year. Bangladesh is the second largest producer or jute and biggest exporter of the natural fibre and its products. The photo was taken yesterday.

INTRODUCING NEW HOTLINE NUMBER 16704

dbi CERAMICS

facebook.com/dbiceramics.com



Mahtab Uddin Ahmed

Robi CEO steps down

STAR BUSINESS REPORT

Mahtab Uddin Ahmed, managing director and chief executive officer of Robi Axiata, has stepped down.

He made the disclosure on his Facebook account while Robi also confirmed the development through a statement.

The telecom operator said Ahmed decided not to renew his contract.

"His term with Robi will officially come to an end on October 31, 2021, but he has decided to go on leave with immediate effect," said Robi in a statement yesterday.

Chief Financial Officer M Riyaz Rasheed, in addition to his current role, would serve as the acting CEO with immediate effect.

In his Facebook post, Ahmed said he "decided not to renew my contract with Axiata".

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EXPORT BACKLOG BGMEA turns to global buyers

STAFF CORRESPONDENT, Ctg

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged global apparel buyers to nominate more shipping lines and private off-docks to help ensure timely shipment of export containers.

BGMEA President Faruque Hassan made this request during a meeting with various stakeholders, including representatives of main line operators and international buyers, according to a press release.

The meeting, held at the BGMEA office in Dhaka, aimed to discuss ways of addressing a container backlog and vessel shortages that impact garment exports.

At the meeting, the BGMEA chief said many export containers loaded with garment items sit idle for as many as 10 to 15 days at their respective inland container depots before being sent to the Chattogram port.

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BB set to rein in excess money supply

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday decided to mop up excess liquidity as it is hurting banks, savers and small borrowers and threatening to create instability in the economy through asset bubbles.

Under the intervention, the central bank will revive the BB Bill, an instrument that was last used in March 2018, to allow lenders to invest idle funds.

Bankers welcomed the central bank move, saying it would help reduce the excess cash effectively.

The initiative will also give a breathing space to depositors whose incomes have been pummeled by the lack of an expected rate on investment owing to a negative return on savings.

The programme will hardly send the lending rate higher, given a large amount of excess liquidity available in the banking system.

The first auction of the "Bangladesh Bank Bill" will be held on August 9. A total of 9 auctions will be organised throughout this month.

The BB has written to all banks and non-bank financial institutions, saying that the initiative would help

KEY POINTS

- BB to start withdrawing money from Aug 9
- Last auction for BB Bill held in Mar 2018
- Excess liquidity stood at Tk 231,462 cr in Jun

IMPACT

- Depositors to enjoy a better interest rate
- Inflation can be controlled
- Capital market bubble to be checked

control the excess liquidity.

"This will also keep the money market stable as well," it said.

The excess liquidity in the banking system stood at Tk 231,462 crore as of June, up 66 per cent year-on-year and 9 per cent a month ago.

The surplus fund has been maintaining an upward trend since March last year after the central bank took several measures to inject money into the market to offset the business slowdown brought on by the coronavirus pandemic.

However, the move has not been able to revive the private sector credit growth as the pandemic is yet to be brought under control.

The private sector credit growth stood at 8.40 per cent last fiscal year against the central bank target of 14.80 per cent. Against the backdrop, a massive injection of capital into the market has made money cheaper than ever, bringing down the interest rate on deposits.

A BB official said that the central bank had taken the initiative as part of its latest monetary policy stance, which indicated withdrawing surplus funds in phases.

The central bank unveiled an "expansionary and accommodative" monetary policy on July 29, aiming to keep funds available for the productive sector and curb its flow to the unproductive sectors such as the stock market and the housing sector.

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NEWS in brief

Banks to remain closed on Aug 8

Bangladesh Bank yesterday decided to keep banks closed on August 8 to contain the latest wave of the coronavirus pandemic.

The decision has been taken in line with a government instruction to continue the ongoing strict restrictions on movement till August 10.

Banks are also ordered to keep their doors open for clients between 10:00am to 3:00pm during the working days, according to a Bangladesh Bank notice.

Google pays Tk 2.3cr VAT to NBR

Global tech giant Google has paid Tk 2.30 crore as value added tax (VAT) directly to the National Board of Revenue.

It has paid Tk 55.77 lakh for the month of May and Tk 1.74 crore for June, said SM Humayun Kabir, commissioner of VAT Commissionerate, Dhaka South.

In the past, banks used to collect the VAT when Google service recipients made payments.

Keep your valuables safe in bank lockers

MD ABU TALHA SARKER

Iqbal Hossain Shaon works at a multinational company in Dhaka. He has to go out of the capital frequently for official purposes.

He has lived in Mirpur near the Sher-e-Bangla National Cricket Stadium for many years with his family. He is a familiar face in his neighbourhood as he used to play a lot of cricket when he was young.

Still, robbers broke into his flat five years ago, taking away ornaments and cash worth several lakh taka.

He had lodged a case with the local police station after the incident, but the police are yet to nab the criminals and retrieve anything.

Following advice from his friends and colleagues, Shaon booked a locker with a bank in exchange for an annual charge to store new ornaments his wife has since purchased as well as valuable documents.

"As I often to go out of the capital for official purposes, I should not have kept those gold ornaments and cash in my flat," he said.

Nobody stays in their rented flat when Shaon is in office or out of Dhaka, and his wife takes their daughter to school.

"The criminals used this period as an opportunity," Shaon said.

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The Bangladesh Association of Amusement Parks and Attractions said it is possible to operate the parks maintaining safety rules and health protocol suggested by the government and other authorities.

COLLECTED

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Amusement parks seek to reopen

STAR BUSINESS DESK

The Bangladesh Association of Amusement Parks and Attractions (Baapa) has urged the government to allow opening amusement parks all over the country in tune with other businesses once the ongoing lockdown ends on August 10.

The sector has been hit hard by the Covid-19 pandemic as it was shut for almost two years. The salaries of the workers and employees of the amusement parks have been paid on time on humanitarian grounds, said a press release.

The association members said now it was not possible to continue paying the salaries and allowances.

They expressed dismay at the government making no announcement as to when amusement parks would be allowed to open.