STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold ▲	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.23%	▼ 0.40%	$1,773.10	$75.65	▼ 0.13%	▼ 0.67%	▼ 0.49%	▲ 0.40%
7,241.84	12,693.82	(per ounce)	(per barrel)	58,927.33	29,639.40	3,048.05	3,628.49

CURRENCIES — STANDARD CHARTERED BANK

	$USD	€EUR	£GBP	¥CNY
BUY TK	84.35	97.71	114.10	12.74
SELL TK	85.35	101.51	117.90	13.40

Star BUSINESS

DHAKA THURSDAY SEPTEMBER 23, 2021, *ASHWIN 8, 1428 BS* ● starbusiness@thedailystar.net

ADB lowers growth forecast

Star Business Report

The Asian Development Bank has trimmed its economic growth projection for Bangladesh to 6.8 per cent for 2021-22, a reflection of the impacts of the containment measures reinstated at the start of the fiscal year to bring down coronavirus infection rates.

The Manila-based lender revised the growth projection in its latest Asian Development Outlook 2021 Update.

In April, it forecast a 7.2 per cent gross domestic product (GDP) growth. The government has also set a similar target for 2021-22, up from a 5.47 per cent provisional estimate in the last fiscal year.

The World Bank has projected that Bangladesh's GDP growth would be 5.1 per cent in FY22.

The growth projection reflects a strong recovery supported by strengthening manufacturing, continued expansion in the global economy, and effective government recovery policies, said the ADB in the report.

With continued robust growth expected in major country destinations, export earnings should reach pre-pandemic levels, it said.

"The government's policies for saving lives while protecting livelihoods underpinned the recovery process in Bangladesh, making it one of the few countries in the world sustaining commendable economic growth in recent difficult times," said Manmohan Parkash, country director of the ADB, in a press release.

The projected GDP of Bangladesh is the third-highest in South Asia. The Maldives is forecast to attain an economic growth of 15 per cent and India 7.5 per cent.

Nepal may post a GDP growth of 4.1 per cent, Pakistan 4 per cent, and Sri Lanka 3.4 per cent.

In Bangladesh, remittances are expected to remain strong, firming up private consumption. Improving consumer confidence and government stimulus measures will help boost private and public investment.

The main downside risk to the forecast would be sustained escalation of infection rates in major advanced economies, clipping external demand.

"Prudent macroeconomic management and efficient implementation of stimulus measures and social protection programmes have helped. Continued efforts for job creation, quick vaccination, and improving domestic resource mobilisation will further accelerate the recovery process," Parkash said.

He applauded recent initiatives in the areas of financial inclusion and expansion of social protection.

Sustained reforms to increase business competitiveness, foreign investment, diversify exports, develop skills, and adopt technology will stimulate private sector investments and hasten economic recovery, he said.

In FY22, improving consumer confidence and the government's fiscal and monetary stimulus measures are expected to boost private and public investment.

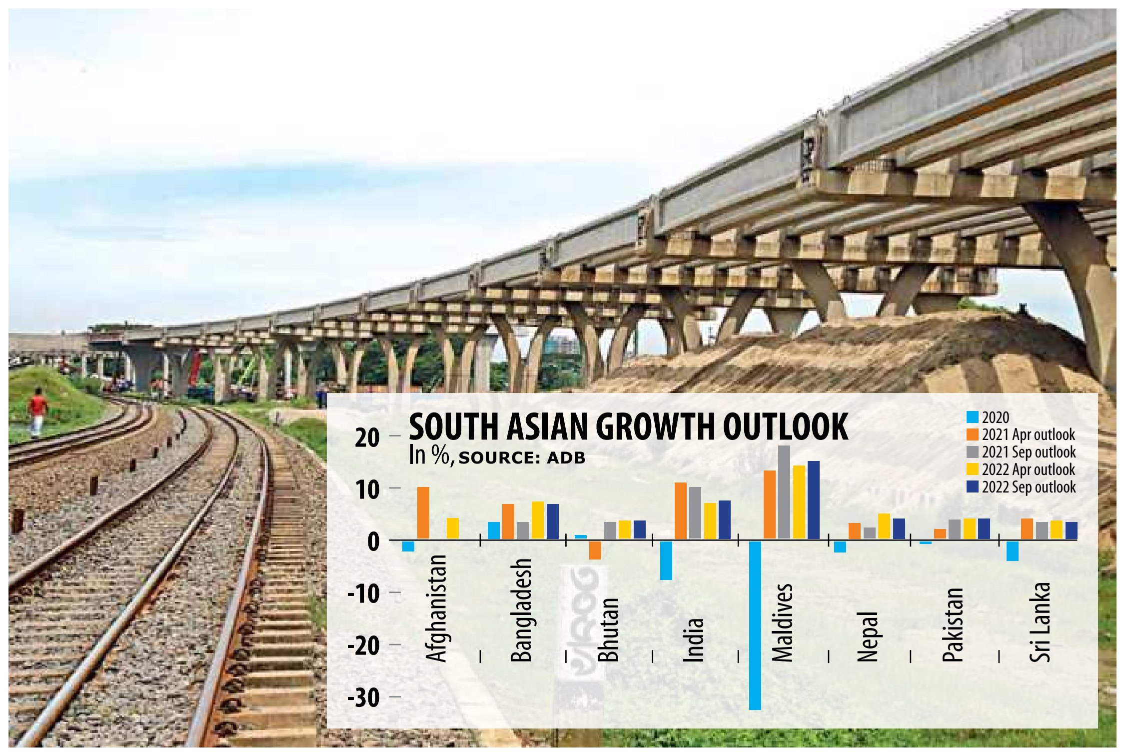
The central bank's expansionary and accommodative monetary policy is expected to support the projected growth while keeping inflation contained.

Inflation could edge up to 5.8 per cent, and the current account deficit to narrow to 0.6 per cent of GDP in FY22.

Continued implementation of the increased fiscal and monetary stimulus measures could create inflationary pressures, the ADB said.

"A good crop outlook, consumer caution and underutilised production capacity should mitigate any upward pressure on prices. Domestic administered prices for fuel may cushion the impact of increased crude oil prices."

READ MORE ON B3



SK ENAMUL HUQ

"The government's policies for saving lives while protecting livelihoods underpinned the recovery process in Bangladesh"

Manmohan Parkash
ADB country director

Foreign funds in stocks drop

DROP IN FOREIGN SHAREHOLDING (In %)			
Queen South Textile	81.6	BATBC	20.8
Beximco Ltd	81.1	Beximco Pharma	11.7
ML Dyeing	31	Singer	8
Olympic	28.8	DBH	7
Square Pharmaceuticals	21.6	Brac Bank	7

Ahsan Habib

The stock market regulator's initiatives such as roadshows in various countries to bring in investments appear to have produced no significant positive outcome as foreign investors reduced their stakes in the listed companies to book profits.

Eighteen listed companies had at least 5 per cent foreign investment at the end of their latest financial year on the Dhaka Stock Exchange (DSE). It dropped for 12 companies, three managed to retain them, and the position of overseas investors increased in three companies.

On average, 19.42 per cent of the stake of 18 companies was at the hand of foreign investors at the end of the last financial year. It went down to 16.39 per cent in August, according to the website of the premier bourse.

The bourse does not publish the monthly data on the foreign portfolio investment like it did in the past. The previous commission ordered it not to share the data, said a senior official of the DSE.

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EPB to hold virtual fair to promote exports

Star Business Report

The Export Promotion Bureau (EPB) is going to organise an online fair next month with the aim to promote locally made goods at the international level and subsequently increase Bangladesh's export earnings.

The week-long virtual fair, styled "Sourcing Bangladesh 2021", will be held from October 18 to 24. The EPB aims to attract buyers from Europe, North America, Latin America, the Middle East and Africa.

"Buyers in foreign countries can see our products and understand the quality before sourcing any from here if they want.

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Foreign JV to build 50MW solar power plant

Project cost about Tk 1,328cr

Star Business Report

Two foreign companies yesterday got the government nod to set up a 50-megawatt solar power plant in Khulna's Terokhada upazila.

The cabinet committee on government purchase approved the joint venture, under which Business Research International Corporation Inc (BRIC), a Panamanian registered company, and Singapore-based Hero Future Energies Asia Pte Ltd will establish the solar power project.

The government will buy each kilowatt hour (kWh) of electricity produced at the plant for Tk 8.20 for 20 years. The project is estimated to cost Tk 1,328 crore.

Asked why they chose a company from Panama, a country that has history of allowing creation of shell companies that hide their real owners, to set up a power plant in Bangladesh, Finance Minister AHM Mustafa Kamal said: "No, it's a Singaporean company, no Panamanian company is here."

But when journalists insisted that there is a Panamanian company in the joint venture alongside a Singaporean one, Kamal instantly called Nasrul Hamid, the state minister for power, over the phone.

READ MORE ON B3

Stop soybean meal export

Feed millers urge govt

Star Business Report

Feed millers have called upon the government to stop exports of soybean meal, a major ingredient of poultry, fish, and cattle feed, for the sake of the local livestock industry.

They made this call yesterday at a press conference organised by Feed Industries Association Bangladesh (FIAB) as the government recently decided to export soybean meal, which accounts for 25-35 per cent of animal feed.

The millers said soon after the government decided to export soybean meal, local producers increased their prices by Tk 10-12 to Tk 53-55 per kilogramme.

This put the livestock industry, particularly farmers who have been reeling from the Covid-19 fallout, into a deep crisis, they added.

According to FIAB, the price of soybean meal increased by 41.18 per cent in the past one year.

Similarly, the average price of all other ingredients, including maize and fish meal, increased by 34.22 per cent at the same time.

Feed millers alleged that producers have also created an artificial crisis in the market by reducing the supply of soybean meal, affecting the production of many feed mills.

Besides, the increased costs have led to the closure of many small firms.

At least 50 feed producing mills out of a total of 350 have already been shut, they said, adding that the industry has not faced such a crisis in the last 30 years.

About 20 lakh tonnes of soybean meal is required to produce the roughly 50 lakh tonnes of feed needed in the country each year.

Of this, around 80 per cent of the soybean meal is procured by local companies while the rest is imported.

The feed millers said livestock farmers are deeply concerned about soybean meal exports as they are already facing huge losses amid the increased production cost.

Livestock farmers have to spend 75 per cent of their total production cost to procure feed, according to FIAB.

READ MORE ON B3

Transport strike called off

Ctg port operations resume after 35 hours

Dwaipayan Barua, *Ctg*

Operations at the country's premier Chattogram sea port have resumed after around 35 hours with a countrywide work abstention enforced by a section of logistics service providers being called off yesterday afternoon.

But the strike disrupted the port's recent developments in reducing vessels' waiting periods since August 8 following an acute container congestion in late July.

Bangladesh Covered-Van, Truck, Prime Mover Goods Transportation Owners Association and Bangladesh Truck Drivers Workers Federation jointly enforced the countrywide work abstention.

It aimed to realise a 15-point demand, including cancellation of a decision to hike advance income tax imposed on vehicle owners and addressing complications in issuing driving licences for heavy vehicles.

Leaders of the two platforms declared the withdrawal at 3:00pm after a fruitful meeting with the home minister, where assurances came on meeting their demand.

Eventually some trucks and covered vans started to enter the port.

But leaders of Chattogram Prime Mover Trailer Worker Union vowed to continue the strike, claiming their demands had not been addressed.

So the port's major activities, such as loading and unloading of container vessels, remained suspended.

After another meeting with State Minister for Shipping Khalid Mahmud Chowdhury, the union leaders declared to withdraw the strike at 4:30pm.

Loading and unloading of container vessels at Chittagong container terminal and new mooring container terminal started at 5:00pm after prime mover workers took to work, said Tanveer Hussain, COO of Saif Powertech, operator of the two terminals.

READ MORE ON B3

Vehicles transporting goods form a queue to enter the Chattogram sea port after around 35 hours, with a countrywide work abstention enforced by a section of logistics service providers being called off yesterday afternoon. The photo was taken at Dakkhin Halishahar.

RAJIB RAIHAN