

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.30%	▼ 0.12%	\$1,757.60	\$84.14	▲ 0.13%	▲ 1.60%	▲ 0.68%	▼ 0.01%	84.65	96.93	114.60	12.92
7,345.57	12,904.83	(per ounce)	(per barrel)	60,135.78	28,498.20	3,113.49	3,591.71	BUY TK	100.73	118.40	13.58
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RECOVERING BAD LOANS

State banks far away from targets

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday ordered four state banks to speed up cash recovery from defaulters as their record in realising delinquent loans has remained dismal.

In addition, the central bank asked them to take prompt measures to bolster the capital base since they have been facing a capital shortfall for a long time.

The four state-run lenders – Sonali, Janata, Agrani and Rupali – were also asked to invest their excess liquidity to make a profit.

The BB gave the instructions at a quarterly meeting as part of its memoranda of understanding with the four banks. Governor Fazle Kabir presided over the meeting at the central bank headquarters, where the managing directors of the lenders were present.

The central bank had set a loan recovery target of Tk 1,610 crore from the top defaulters of the banks for 2021. But they got back only Tk 53.38 crore as of June.

Similarly, the banks recovered Tk 320 crore from other defaulters in contrast to an annual target of Tk 1,700 crore, according to data from the central bank.

Non-performing loans (NPLs) at the lenders stood at Tk 43,836 crore, which accounted for 45 per cent of the total bad loans in the banking industry in Bangladesh.

The BB asked the banks to beef up efforts to recover the delinquent loans as their performance has so far been dismal to this end, said three central bankers.

Md Abdus Salam Azad, managing director of Janata Bank, said the central bank had instructed them to recover NPLs by initiating effective drive.

The banking regulator also asked the banks to avoid seeking regulatory forbearance related to keeping required provisioning against the NPLs and unclassified loans.

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Leather goods export exceeds pre-pandemic level

JAGARAN CHAKMA

Exports of leather and leather products from Bangladesh exceeded the pre-pandemic level in the first quarter of the current fiscal year as Western economies reopened following extended coronavirus pandemic-induced closures, pushing up demand.

Manufacturers shipped leather and leather products worth \$271.34 million from July to September, up 21 per cent from \$225.15 million in the same period last fiscal year, data from the Export Promotion Bureau (EPB) showed.

The receipts were 6.66 per cent higher than \$254.39 million recorded in the same three-month period of FY2019-20.

Exporters fetched \$324.62 million in the July-September quarter in FY2017-18, the highest in five years.

But the shipment declined in the following years for a loss of consumers' appetite for leather goods and a lack of environmental compliance by local firms. The pandemic hit the sector hard, prompting the exports to plummet.

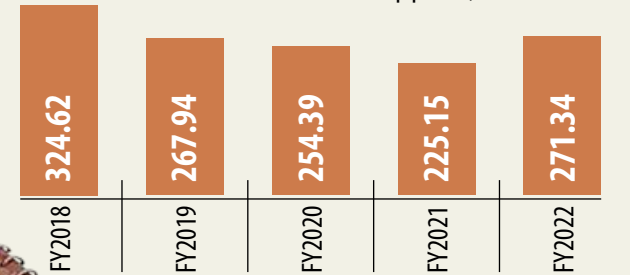
In the first quarter of FY22, leather exports rose 33.29 per cent, leather products 33.34 per cent, and leather footwear 13.72 per cent, EPB data showed.

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EXPORT OF LEATHER AND LEATHER GOODS

Jul-Sep period; In million \$



SOURCE: EPB

REASONS BEHIND THE RISE

- Buyers of the USA and Japan increased export order
- Lockdown lifted in almost all export destinations
- Non-leather footwear exporters fared better
- Bangladesh explored more non-traditional markets

RECOVERY FROM TOP 20 DEFAULTERS

In crore taka

SOURCE: BB

Bank	Target for 2021	Recovery till June	In % of recovery
Sonali	350	10	3
Janata	800	7	1
Agrani	240	36	15
Rupali	220	0.38	0.17



BB has instructed us to speed up cash recovery from defaulters and lend to good borrowers.

MD ABDUS SALAM AZAD, MD OF JANATA BANK

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dbi CERAMICS

Capital market can help achieve SDGs: experts

STAR BUSINESS REPORT

The stock market, insurance and pension funds could actively contribute in financing the roughly \$928 billion needed by Bangladesh to achieve its Sustainable Development Goals (SDGs) within 2030 as bank lending alone will not suffice, various experts told a webinar yesterday.

The country needs an additional \$928.48 billion from 2017 to 2030 to implement the SDGs, as per the findings of a recent study.

The webinar on "Sustainable Finance in Bangladesh: Strategies and Options for Implementation" was organised by the Bangladesh Association of Publicly Listed Companies (BAPLC).

"Bangladesh aims to meet its SDG targets within this period but we need a wonderful economy with strong foundation to this end," said Prof Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

The banking sector alone cannot supply the long-term finance needed as it puts undue pressure on the

industry whereas the stock market, insurance and pension funds could be a remedy in this regard.

Besides, the BSEC has worked to make the bond, mutual funds and secondary stock markets more vibrant.

As such, the domestic stock market has a variety of fundraising boards, such as the alternative trading board and SME board aside from the main board.

"We are bringing new products also so that the stock market can be a strong source of sustainable finance," Islam said.

Eunusur Rahman, chairman of Dhaka Stock Exchange (DSE), said Bangladesh would need around Tk 78,92,000 crore within 2030 to achieve the SDGs.

In other words, about Tk 480,000 crore is required annually for this period. "So, how can this fund be financed?" Rahman asked.

Since the banking sector is suffering from a high rate of non-performing loans, it will be unable to provide adequate financing.

Similarly, the insurance sector is also not a viable option but here, the

stock market has huge potential.

When people are confident about the market, it can make big contributions as proven in recent times with market capitalisation at the DSE having risen by more than Tk 220,000 crore in the last one year.

"So, a huge financing demand can be met by the stock market if well performing private sector companies come to the market to raise funds," the DSE chairman said.

"Apart from the five basic needs, finance for entrepreneurship should be considered as a basic need of the people but we cannot ensure finance for all," he added.

Bangladesh's GDP to market capitalisation ratio is still very low at 21 per cent while it is 76 per cent in neighbouring India.

"So there is a huge opportunity to enlarge the market and source of financing," said Shaikh Shamsuddin Ahmed, a commissioner of the BSEC.

The number of listed companies in the country, which currently stands at about 390, should be increased as well.

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Osman re-elected BKMEA president uncontested

STAR BUSINESS REPORT

AKM Salim Osman, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), has again been elected to the top post of the trade body unopposed.

"There was no opposition in the election of the BKMEA this time. So, the election commission announced the 35-member panel of Salim Osman elected on Sunday," said Mohammad Hatem, first vice president of BKMEA. This is the sixth consecutive time Osman has been made chief of the knitters' platform, four of which were unopposed.

The last time a contest took place in the BKMEA election was in 2012 when Md Fazlul Haque, managing director of Narayanganj-based Plummy Fashions Ltd, also ran for presidency. Osman, a member of the parliament, also won in the election of 2010.

This time, the election was scheduled to be held both in its Dhaka and Narayanganj offices on November 30, said Hatem, for whom a new post has been created in the BKMEA organogram for the first time.

Hatem is now an executive president. The new post was created in recognition of the hard work Hatem put in for the BKMEA for a long time with Osman.



AKM Salim Osman

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No tax fair this year: NBR

STAR BUSINESS REPORT

Individual taxpayers will have to submit their income tax returns at tax offices this year too as the annual tax fair will not be held this time to avoid mass gatherings amid the Covid-19 pandemic.

The National Board of Revenue (NBR) took the decision in a meeting on October 7 regarding facilitating submission of tax returns.

The idea of holding a tax fair was to motivate people into paying taxes and increasing the country's tax-GDP ratio, one of the lowest globally.

The initiative created a lot of enthusiasm among taxpayers to furnish returns at the fair.

The tax authority said it would create festive environment in all field offices of taxes from November 1 to November

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AGRICULTURAL PRODUCTS

Govt eyes \$2b exports in 2yrs

STAR BUSINESS REPORT

The agriculture ministry plans to double export earnings from fresh vegetables, fruits, processed spices and foods to \$2 billion in the next two years by addressing bottlenecks faced by exporters, according to a draft plan.

The initiative comes as export receipts from overall agricultural sector crossed \$1 billion for the first time in fiscal 2020-21, buoyed by a surge in shipment of dry foods and spices apart from fresh vegetables, fruits and other foods.

To attain the goal, the draft roadmap said works were in progress to ensure a dedicated gate at Hazrat Shahjalal International Airport for entry of fresh farm produce alongside a scanner.

Bangladesh Agricultural Development Corporation (BADDC) has taken steps to increase the capacity of the airport's cold storage by 120 tonnes. The government has also taken

up an initiative to set up globally accredited lab in order to increase export of agricultural goods, which brought \$550 million in export earnings five years ago.

The Department of Agricultural Marketing (DAM), an agency under the agriculture ministry, has also set up an export cell.

Meanwhile the agriculture ministry has also established a cell to implement Good Agricultural Practices (GAP)-2020 at the ministry, said the draft roadmap placed at a meeting at Bangladesh Agricultural Research Council (Barc).

"We are in surplus in various crops and this has created prospects for exporting vegetables, potato and fruits. We want to export our surplus crops abroad. This is why, we are working to remove the bottlenecks," said Agriculture Minister Muhammad Abdur Razzaque at the event.

"Our preparation is almost complete," he added.

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EXPORT FORECAST FOR AGRO-PRODUCTS

FY'21: \$1,028m*
FY'22: \$1,634m
FY'23: \$2,001m

*Actual, EPB



BARRIERS TO EXPORT

- Absence of suitable variety for export
- Lack of hygiene and quality products
- Inadequate cargo space in planes
- Lack of cold storage at airport
- Absence of lab to do required tests
- Lack of accredited lab

STEPS TAKEN TO INCREASE EXPORT

- Work underway to establish dedicated gate and scanner at airport
- Expansion of BADDC's cold storage capacity by 120 tonnes
- Process underway to set up accredited lab
- Opening an export cell at DAM
- A cell at ministry to implement good agricultural practices
- Issuance of online quarantine certificates

Trade thru 5 land ports suspended for Puja

STAR BUSINESS REPORT

Trade through Banglabandha, Hili, Birol, Sonahat and Burimari land ports is set to remain suspended for six days beginning yesterday for Durga Puja, the biggest religious festival of the Hindu community in Bangladesh and neighbouring India.

Exporters, importers and clearing and forwarding agents of both countries on Saturday decided to stay off work during the period, reports our correspondents in Dinajpur and Thakurgaon.

However, immigration services will be available. Trade will resume on October 17.

Banglabandha land port is in Panchagarh, Hili and Birol in Dinajpur, Sonahat in Kurigram and Burimari in Lalmonirhat.