

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
0.99%	0.58%	\$1,792.48	\$85.53	0.17%	0.34%	0.52%	0.34%	84.70	97.65	115.73	13.04
7,005.70	12,361.38	(per ounce)	(per barrel)	60,821.62	28,804.85	3,205.14	3,582.60	BUY TK	SELL TK	85.70	101.45

Pay VAT, VDS, Excise & Import duty instantly through PrimePay

primebank.com.bd

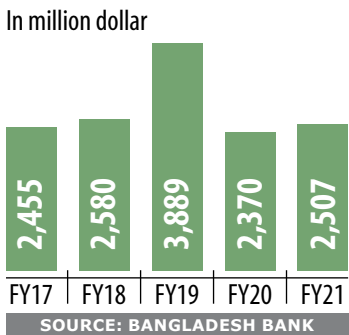
Prime Bank

# Star BUSINESS

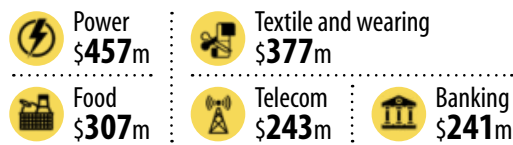
DHAKA MONDAY OCTOBER 25, 2021, KARTIK 9, 1428 BS • starbusiness@thedailystar.net

## FDI inflow rises marginally

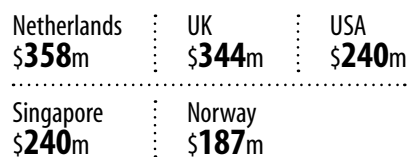
### NET FDI INFLOW INTO BANGLADESH



### TOP 5 SECTORS ATTRACTING FDI IN FY21



### FDI FROM TOP 5 COUNTRIES IN FY21



AKM ZAMIR UDDIN

Foreign direct investment to Bangladesh rose 6 per cent year-on-year to \$2.51 billion in the last fiscal year, continuing the recent trends whereas peer countries secured a higher level of investment from external investors.

The FDI flow has been far lower than expected because of strict regulations and bureaucratic complexities, according to analysts.

Fresh investment, or equity capital, did not arrive as expected in 2020-21. Foreign companies operating in Bangladesh largely reinvested their earnings in the year, helping the country keep its FDI trend stable.

FDI in the field of equity capital rose 12.08

per cent to \$816 million, disappointing analysts as it remains less than \$1 billion.

Reinvestment of earnings stood at \$1.58 billion, up 4.63 per cent year-on-year, data from the Bangladesh Bank showed.

Intra-company loans dipped to \$105 million in contrast to \$1.32 billion in FY20.

"Countries such as Vietnam usually mobilised \$8-10 billion in FDI per year, but the situation is completely different here," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

He blamed red tape for the country's continuous struggle to draw a desired level of FDI.

The government had targeted to attract \$32 billion in FDI during the seventh five-year plan period stretching from FY16 to FY20. But, the country had managed to receive less than \$10 billion.

"The government should implement the one-stop service for investors in an appropriate manner so that foreign investors feel comfortable in choosing the country as their investment hub," Rahman said.

In a positive development, the government has reduced the lock-in

period for foreign investment to one year from three years.

It means investors, who hold 10 per cent shares in a company or directorship, are not allowed to sell the stake within the stipulated period.

"This will make it easier for investors to exit from Bangladesh," said the analyst. Many peer countries have set the lock-in period at six months.

He said the country's rules and regulations relating to the FDI were more complex than many other countries.

Per capita income in Bangladesh is on the rise, but it has not been reflected in the FDI trend.

Rising income means purchasing, and consumption power is maintaining an upward trend. Bangladesh also has a large consumer base.

"But, the positive indicators have failed to satisfy the foreign investors," said the analyst.

Regulators still take more time in the name of scrutiny when it comes to granting approval to foreign investors, he said.

In some cases, foreign investors are forced to change their plan as they have to complete the process within a certain period set by their parent companies.

## Two Square entities to go for Tk 646cr expansion

STAR BUSINESS REPORT

Square Pharmaceuticals and Square Textiles, two major concerns of Square Group, have decided to invest Tk 646 crore to expand business.

The two made the disclosure in separate postings on the Dhaka Stock Exchange (DSE) website yesterday, a day after the board meeting.

Square Textiles said it aims to increase yarn production capacity of its factory by 11,565 tonnes per annum. Estimated project cost for the expansion is Tk 346 crore.

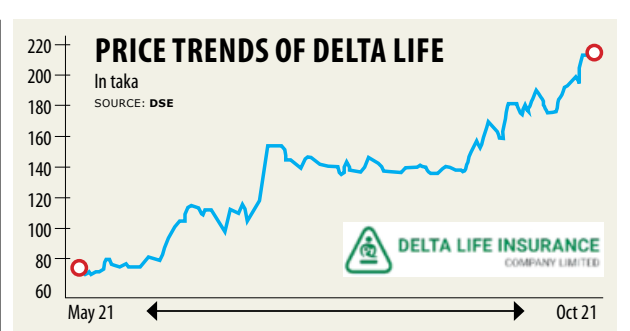
The company expected the expansion would be complete in April 2023. Square Textiles expects that the investment will generate Tk 371 crore in annual turnover.

Square Pharmaceuticals, which logged higher earnings per share to Tk 3.41 in the financial year 2020-21, expects to make a profit by around 5-7 per cent from the turnover. The textile maker's shares rose 4 per cent to Tk 51 yesterday from that on the previous day of trade.

Meanwhile Square Pharmaceuticals said its board approved Tk 300 crore for BMRE, capital machineries and land.

READ MORE ON B3

READ MORE ON B3



## Delta Life stock price trebles in six months

Rise was fuelled by manipulation, analysts say

AHSAN HABIB

Stocks of Delta Life Insurance Company Limited have tripled in value over the past six months even though the company reported lower revenue in its recent financial disclosure, raising concerns among analysts that manipulation might be taking place behind the scenes.

The insurer had thrice announced that there is no undisclosed price sensitive information that could have led to the abnormal rise in stock prices.

Still, its share value increased by 204 per cent to Tk 215, according to data from the Dhaka Stock Exchange (DSE).

As a result of its meteoric rise, the Delta is now the stock with the highest value among all 53 listed insurance companies.

"Beating all the odds, its stock price rose in such a way that it is clear some manipulators were involved," said a senior official of a merchant bank preferring anonymity.

Regarding the odds in question, he pointed to the company's drop in revenue in the last quarter it had disclosed.

The Delta's consolidated revenue from July to September in 2019 stood at Tk 29 crore while it was Tk 35 crore during the corresponding period the previous year, showed the DSE data.

READ MORE ON B3

## FARM PRODUCTION

## Bangladesh far behind peers

Says state minister for planning

STAR BUSINESS REPORT

Despite the great progress made in agriculture over the years, Bangladesh still lags far behind competitor countries in terms of productivity, said Prof Shamsul Alam, state minister for planning.

He was addressing a programme titled "50 years of Bangladesh: Transformation and achievement of agriculture" jointly organised by Bangladesh Agricultural Journalists Forum (BAJF) and Bangla daily Bonik Barta at a Dhaka hotel.

In terms of rice yield per hectare, Alam said the country was lagging far behind Malaysia, Thailand, Vietnam, India and Cambodia.

"Our rice production per hectare is 2.44 tonnes. Thailand produces more than us. Vietnam has 5.9 tonnes per hectare," he said.

He said Bangladesh was also far behind competitor countries in use of technology in agriculture sector.

Alam said it was stated in the Sustainable Development Goals (SDG) that by 2030, the yield per hectare in agriculture should be doubled.

"In the Seventh Five Year Plan, we are lagging behind, especially in the crop sector. The growth rate in this sector is below 1 per cent per annum. It is 0.85 per cent," he said.

READ MORE ON B3



In terms of rice yield per hectare, Prof Shamsul Alam, state minister for planning, said Bangladesh was lagging far behind Malaysia, Thailand, Vietnam, India and Cambodia.

PHOTO: STAR/FILE

### PADDY YIELD IN TOP PRODUCING COUNTRIES

In tonnes per hectare

YEAR: 2019



## S Korea offers \$700m for development projects

STAR BUSINESS REPORT

South Korea will provide \$700 million in concessional loans to Bangladesh for the next five years to help implement the country's development projects, according to a press release issued by its embassy.

A new framework arrangement involving the loans from an Economic Development Cooperation Fund for the 2021-2025 period was signed between Bangladesh and South Korea yesterday, it said.

Fatima Yasmin, secretary to Economic Relations Division, and Lee Jang-Keun, South Korean ambassador to Bangladesh, signed the agreement at the former's office in Dhaka.

According to the arrangement, candidate projects will be identified for financing in close consultation between the two governments.

The repayment tenure for the loans will be 40 years, including a 15-year grace period, with an annual interest rate between 0.01 per cent and 0.05 per cent.

The arrangement also stipulates that all taxes, customs duties and other fiscal charges imposed in Bangladesh on goods and services related to those projects shall either be exempted or borne by the Bangladesh government.

Bangladesh is the second largest recipient of the fund's loans worldwide in aggregate.

READ MORE ON B3

## Stocks end in the red again

STAR BUSINESS REPORT

The stock market returned to its falling trend again yesterday due to a confidence crisis among investors.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), fell 70 points, or 0.99 per cent, to 7,005.

Market analysts are saying that investors had become frightened with the continuous fall last week, so they sold shares.

Though availing profits is a common phenomenon of the stock market, the recent fall was steep and continuous so it made investor fearful, said a merchant banker.

Investors need to be cautious in this situation because a wrong decision here can damage their investment, he said. If investors invest in good stocks, they have no reason to panic, the merchant banker added.

Turnover, an important indicator of the stock market, rose to Tk 1,471 crore up from Tk 1,310 crore.

The Dhaka stocks went back to the red amidst volatility after a single

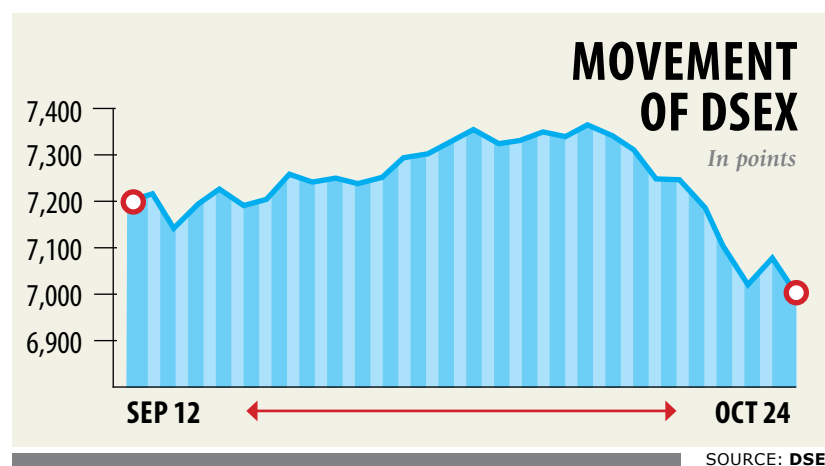
session's break as investors mostly adopted a cautious stance and booked some quick gains, said International Leasing Securities Limited in its daily market review.

Following last session's upward move, the market started on a positive note but shaky investors' sell-offs in the major sectors to avoid further erosion of their portfolios has caused

the benchmark index to lose 71 points, it said.

Meanwhile, some investors continued restructuring their portfolios to take up fundamentally-sound stocks based on ongoing year-end earnings and dividend declarations and quarter-end corporate disclosures, it added.

READ MORE ON B3



## Potential of Blue Economy remains largely untapped

Experts say at workshop

STAR BUSINESS REPORT

Bangladesh is equipped to catch fish at a maximum depth of 100 metres, or within just 60 square kilometres off the coast of the Bay of Bengal, where the country has exclusive rights to about 118,813 square kilometres.

As such, Bangladesh's share in global fish production is limited to only 2.6 per cent.

And despite having a seaside frontier, there is still a huge amount of offshore oil and gas that remains just out of reach.

Although several plans have been taken in this regard, none of them have come to light.

In contrast, Myanmar has already started to extract mineral resources from near Bangladesh's sea block.

Khurshed Alam, secretary of the maritime affairs unit at the Ministry of Foreign Affairs, highlighted these issues while presenting the keynote paper during a workshop at the office of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) yesterday.

The country's apex trade body and the Bangladesh Investment Development Authority (BIDA) jointly organised the workshop, styled "Blue Economy and Course of Actions".

READ MORE ON B3