STOCKS (Week-on-week)		COMMODITIES (As of Friday)		ASIAN MARKETS (Friday Closings)			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 3.38%	▼ 3.20%	▲ $1,792.30 (per ounce)	▲ $72.72 (per barrel)	▼ 2.87%	▼ 2.53%	▼ 1.72%	▼ 0.56%
6,852.09	12,060.26			57,107.15	28,751.62	3,166.27	3,564.09

CURRENCIES (As on Thursday, STANDARD CHARTERED BANK)

	USD	EUR	GBP	CNY
BUY TK	84.85	94.09	113.53	13.04
SELL TK	85.85	97.89	117.33	13.72

Star BUSINESS

DHAKA SUNDAY NOVEMBER 28, 2021, *AGRAHAYAN 13, 1428 BS* ● starbusiness@thedailystar.net

Profit growth signals strong economic rebound

Return to normalcy, increased export and remittance spurred recovery, experts say

Ahsan Habib

Listed companies across almost all sectors saw their profits rise 8.6 per cent on average in the first quarter of the ongoing fiscal year, indicating that Bangladesh is making a strong economic recovery from the Covid-19 pandemic.

The collective profits of 288 listed companies stood at Tk 7,203 crore in the July-September period of 2021-22, up from Tk 6,631 crore a year earlier, according to Sandhani Asset Management Company.

Although the Dhaka Stock Exchange features a total of 384 enterprises, some 288 were analysed as the remainder were either listed after 2018 or are yet to publish their quarterly financial reports.

"As the economy is returning to normalcy, most listed companies saw higher profit," said AB Mirza Azizul Islam, a former finance adviser to the caretaker government.

However, there is conflicting data regarding Bangladesh's recovery as some private organisations' surveys show that poverty rates rose when the demand for non-essentials dropped significantly amid prolonged countrywide economic shutdowns aimed at combating the rogue virus.

"So, the fact that most listed companies registered increased profits might be because they are export-oriented, as evinced by the country's rise in export earnings," said Islam, also a former chairman of the Bangladesh Securities and Exchange Commission.

Bangladesh earned about $11.02 billion from exports in the first three months of the current fiscal, up 11.37 per cent year-on-year from $9.89 billion, data from the Export Promotion Bureau showed.

Islam also attributed the increased consumption for this year's growth in profits as the demand for all goods and services rocketed soon after the country observed a two-month strict nationwide lockdown in 2020.

As such, listed companies saw their profits climb 38 per cent year-on-year to Tk 6,631 crore in the first quarter of FY2020-21. With this backdrop, the profit growth in the recently ended quarter is seemingly low even though it is at a considerably normal level, Islam added.

Mominul Islam, managing director of IPDC Finance, said one positive aspect of the pandemic was that people were now more bullish about the economy.

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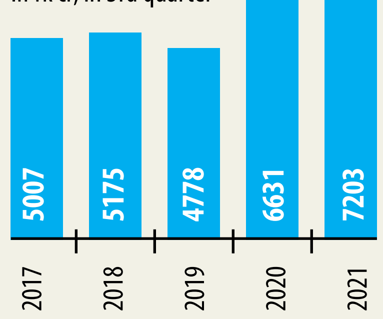
QUARTER-WISE PROFITS OF LISTED COMPANIES

In Tk cr; in 3rd quarter

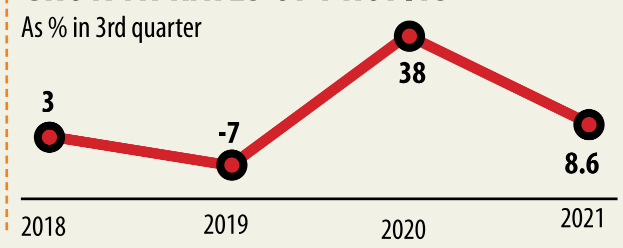


TOP FIVE PROFIT-MAKERS

GP: Tk 8,560cr
Square Pharma: Tk 4,999cr
Beximco Ltd: Tk 3,601cr
BATBC: Tk 2,943cr
United Power: Tk 2,898cr

GROWTH RATES OF PROFITS

As % in 3rd quarter



SOURCE: SANDHANI ASSET MANAGEMENT

NBFIs seek deferral of BB rules seeking to restore discipline

Akm Zamir Uddin

Non-bank financial institutions have demanded postponement of the application of a Bangladesh Bank guideline that is seeking to restore credit discipline in the fragile sector.

The Bangladesh Leasing and Finance Companies Association (BLFCA), an organisation of the managing directors of the NBFIs, sent a letter to the central bank governor on November 22, requesting him to push back the guidelines until December 2023.

The central bank issued the guidelines on September 14, saying that no NBFI would be allowed to inflate the income segment of the balance sheet artificially without realising cash from borrowers after rescheduling default loans.

It came after many NBFIs were found to have overstated their income segment in the past without getting back any cash from the rescheduled loans, in order to give a hefty amount of dividends to the shareholders, including their directors.

In addition, they had also not kept provision against the default loans, but many of them subsequently rescheduled the loans.

As per the new rules under the guidelines, the NBFIs have to preserve required provisions against the rescheduled loans. The NBFIs should have kept the amount previously given the merit of the non-performing loans.

Besides, NBFIs have been barred from transferring the provision of the NPLs right after the rescheduling of the loans.

They can, however, shift the specific amount of provision equaling to the actual income realised from the borrowers from time to time.

A loan loss provision is an income statement expense set aside as an allowance for uncollected loans and loan payments. This provision is used to cover different kinds of loan losses such as NPLs and customer bankruptcy.

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WHAT NBFIS DEMAND FOR RESCHEDULED LOANS

- Want to show inflated income without realising cash
- Want to avoid provision right after rescheduling NPLs
- Want to transfer provision to income after rescheduling
- Deferral of guidelines to Dec 2023

WTO postpones ministerial meeting after new variant outbreak

Refayet Ullah Mirdha

The World Trade Organisation (WTO) has postponed the imminent Ministerial Conference after an outbreak of a particularly transmissible strain of Covid-19 led several governments to impose travel restrictions that would have prevented many ministers from reaching Geneva.

The 12th Ministerial Conference (MC12), the first such meeting of the WTO in four years, was due to start on November 30 and run until December 3. But the General Council of the global body agreed late Friday to postpone the meeting, according to a statement.

The announcement of travel restrictions and quarantine requirements in Switzerland and many other European countries led General Council Chair Ambassador Dacio Castillo of Honduras to call an emergency meeting of all WTO members to inform them of the situation.

"Given these unfortunate developments and the uncertainty that they cause, we see no alternative but to propose to postpone the Ministerial Conference and reconvene it as soon as possible when conditions allow," Castillo told the General Council.

"I trust that you will fully appreciate the seriousness of the situation."

WTO Director-General Ngozi Okonjo-Iweala said the travel constraints meant that many ministers and senior delegates could not have participated in face-to-face negotiations at the conference. This would render participation on an equal basis impossible.

She pointed out that many delegations have long maintained that meeting virtually does not offer the kind of interaction necessary for holding complex negotiations on politically sensitive issues.

"This has not been an easy recommendation to make … But as Director-General, my priority is the health and safety of all MC12 participants – ministers, delegates and civil society. It is better to err on the side of caution," she said, noting that the postponement would continue to keep the WTO in line with Swiss regulations.

WTO members were unanimous in their support of the recommendations from the Director-General and the General Council chair.

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New law lists bankers' digital books as legal evidence

Star Business Report

Parliament yesterday passed the Bankers' Book Evidence Bill 2021, defining digitally recorded documents used in the ordinary business of banks as legal evidence admissible in court.

Finance Minister AHM Mustafa Kamal placed the bill that was passed by voice vote.

The new law is going to replace the Bankers' Book Evidence Act 1891 that lacked the concept of digitally recorded evidence.

Many aspects of the current law are not consistent with present day practices. Besides, banks are now working digitally, a setting not mentioned in the previous law. The new law states of it clearly.

The new law has suggested making information public, except for privileged and personal information, on taking permission from a court of law and fixing authorities who can do that.

It also spoke of some information which it authorises to be published. It defines court jurisdictions for any bank-related information. Making public such information was totally prohibited in the old one.

The new law also states of some offences, punishments and trials to prevent unauthorised and behind the scenes leak of any information.

Credit card spending keeps growing as virus recedes

Akm Zamir Uddin

Spending through credit cards maintained an upward trend in September as people kept flocking to online sites in the tourism and hospitality sector as the coronavirus crisis continues to wane.

Credit card transactions collectively stood at Tk 1,840 crore in September, up 10 per cent from a month earlier and 51 per cent year-on-year, data from Bangladesh Bank showed.

The tourism and hospitality sector reopened in August after the Covid-19 infection rate began receding.

This has had a positive impact on the upward trend of spending through credit cards, according to bankers engaged in expanding the card business.

What is more, people buoyed by the improving coronavirus and economic situation are increasingly purchasing lifestyle products through their cards.

As such, credit card transactions witnessed magnificent growth in June this year due to advance purchases for Eid-ul-Azha as spending stood at Tk 1,934 crore that month, up 13.25 per cent from a month earlier and 115.46 per cent year-on-year.

The transactions went down in July due to the post-Eid effect before rising again in August.

Syed Mohammad Kamal, country manager of MasterCard, said people are now purchasing lifestyle products and engaging in both domestic and international travel as coronavirus curbs have been eased.

A good number of international flight routes recently reopened as well, encouraging travellers to go abroad. Against this backdrop, the use of credit card is on the rise, he added.

However, he expressed concerns about the new coronavirus variant that has already spread to some countries, creating a tense situation in the business community.

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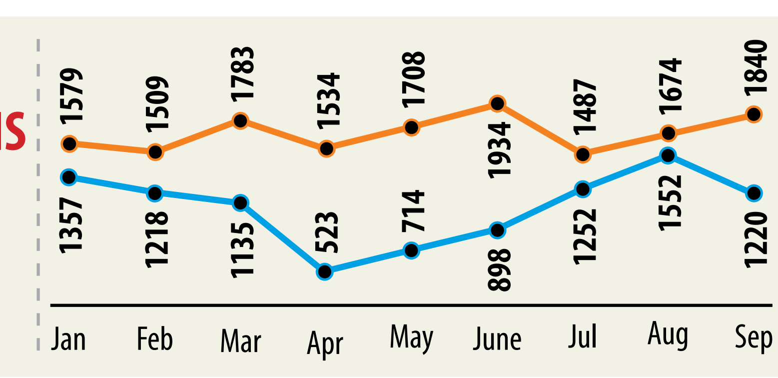
CREDIT CARD TRANSACTIONS

In crore taka;

2021
2020

SOURCE: BB



Tourism's share 3.02pc in GDP

Says BBS's maiden Tourism Satellite Account

Rejaul Karim Byron *and* Mahmudul Hasan

Tourism's contribution to the gross domestic product (GDP) is estimated at 3.02 per cent by the Bangladesh Bureau of Statistics (BBS) as the state agency published its maiden Tourism Satellite Account.

In local currency, this amounts to Tk 76,690.7 crore. The sector also accounted for 8.07 per cent of total employment, according to the Tourism Satellite Account 2020, which was based on the data of the fiscal year of 2018-19.

The report basically gives an economic measurement of tourism, integrating data about the supply and use of tourism-related goods and services.

Published last Thursday, it is said to have been prepared using international standards and methodological recommendations of the United Nations agency World Tourism Organisation.

The publication presents the structure of the country's domestic, outbound and inbound tourism activities, said Mohammad Tajul Islam, director-general of the BBS.

"In addition to that, this report is also furnished with different macro-economic aggregates related to the tourism sector. Detailed data on tourism consumption and production account of tourism industries are included," he said.

DOMESTIC TOURISM

Domestic tourists spent an estimated Tk 74,959.2 crore.

Some 44.30 per cent of households reported to have embarked on at least one same-day trip with an average of 2.72 participants.

Around 64.14 per cent reported at least one overnight trip with 2.56 participants. The average duration was 3.46 nights.

Of the same-day visitors, the highest 41.26 per cent had gone to visit friends and relatives. Another 20.78 per cent sought health and medical services and 16.69 per cent went shopping.

Most overnight visitors (76.70 per cent) also visited friends and relatives. Around 10.36 per cent sought health and medical services and 4.32 per cent went for a holiday, leisure or recreation.

Nearly all (96.60 per cent) same-day trips were not under any package. The same was for overnight trips (97.13 per cent).

The majority of overnight visitors (52.05 per cent) availed buses for transport, 14.48 per cent rented transport, and only 0.28 per cent air transport.

December accounted for the highest number of the same-day trips (10.68 per cent), followed by August (10.01 per cent) and February (9.85 per cent).

The year's closing month also topped the chart for overnight trips (12.60 per cent), followed by June (10.30 per cent) and January (9.27 per cent).

For same-day trips, Tk 13,458.3 crore was spent. The highest (44.76 per cent) was for shopping, followed by health and medical service.

For overnight trips, the expenditure was Tk 61,501 crore. The highest was on transport (36.02 per cent), followed by shopping (17.82 per cent) and health and medical services (15.76 per cent).

Around Tk 2,260 was spent for each same-day trip whereas Tk 9,071 for overnight ones.

OUTBOUND TOURISM

Some 29.21 lakh Bangladeshi residents are estimated to have gone on visits abroad in fiscal 2018-19.

Every outbound trip comprised 1.87 participants while the duration was 5.76 nights.

The majority (60.41 per cent) was to India, followed by Saudi Arabia (8.12 per cent) and Malaysia (4.57 per cent).

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StanChart arranges country's first-ever green bond

Star Business Report

Standard Chartered Bangladesh has arranged the first-ever green bond in Bangladesh as it mobilised Tk 150 crore for Pran Agro Ltd, a concern of Pran-RFL Group.

The bond proceeds will be used to finance green and energy-efficient initiatives of the conglomerate, the bank said in a press release yesterday.

The financial closure ceremony was arranged at the head office of Pran-RFL Group.

Pran Agro will use the proceeds of the bond for initiatives such as recycling waste water, climate action through waste decomposing, building sustainable communities by providing employment among rural and poverty-stricken communities, and preserving life on land through contract-based organic farming.

Standard Chartered was the mandated lead arranger for the transaction.

"In the last 50 years, Bangladesh has come a long way and is seen in the international stage as a role model of sustainable growth," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

Bangladesh's very first green bond is another milestone in this journey, one in which Standard Chartered is proud to have played a role."

It is not only the first green bond in the country; it is a bold statement to Pran's commitment to sustainability.

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