

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.76%	▼ 0.70%	\$1,785.50	\$74.13	▲ 1.09%	▲ 0.16%	▲ 0.3%	▼ 0.07%	BUY TK 84.85	95.16	112.40	13.08
6,702.61	11,734.51	(per ounce)	(per barrel)	56,930.56	28,562.21	3,096.81	3,622.62	SELL TK 85.85	98.96	116.20	13.75



Star BUSINESS

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Recovery remains fragile: CPD

The think-tank suggests cut in diesel prices, controlling prices of essentials

STAR BUSINESS REPORT

The economy is recovering from damages inflicted by the pandemic but the revival remains fragile owing to rising inflation, exchange rate volatility and squeeze in the government's fiscal space, said the Centre for Policy Dialogue (CPD) yesterday.

"Many of key macroeconomic correlates are in the recovery trajectory, led by the export-oriented sectors. Regrettably, macroeconomic stability is no longer in a comfortable state," said CPD Executive Director Fahmida Khatun.

The independent think-tank made the observation at its office while unveiling its analysis on the state of the Bangladesh economy in fiscal year 2021-22.

Rising prices of essentials are hurting the recovery efforts of low-income people.

This was a result of global commodity price rises, the taka's fall against major currencies, government hike of diesel and kerosene prices, diversion of subsidised credit to non-productive sectors and, above all, lack of good governance.

Meanwhile, overall external balance has been on the negative resulting from surging imports.

Export earnings have been buoyant but it could not take balance of payments on the favourable side as remittance inflows have slumped in the current

UNCOMFORTABLE SIGNS

- Higher prices of essentials
- Rising commodity prices globally
- Volatility in exchange rate
- Reduction in fiscal space
- Challenges in loan recovery

WHAT CPD SUGGESTS?

- Containing prices of essentials
- Pursuing targeted expansionary policy
- Transferring cash directly to the poor and vulnerable
- Going for accommodative monetary policy
- Re-estimating nation's demand for rice

fiscal year from that a year ago.

"Exchange rate movement could soon emerge as a source of stress," said the CPD.

Internally, despite growth, revenue collection still remained below the targeted level of the National Board of Revenue (NBR) and reduced sales of national savings certificates shrank government's fiscal space.

"From what I see, fiscal space is shrinking," said CPD Distinguished Fellow Prof Mustafizur Rahman at the news briefing.

The CPD said the 23 per cent hike in prices of diesel and kerosene reflects

the reduction in the government's fiscal space.

Citing price increases of chemical fertilisers internationally, he said Tk 9,000 crore was allocated to provide the key crop production ingredient to farmers at subsidised rates.

"But if we want to keep the current price, it will cost additional Tk 22,000-Tk 23,000 crore," he said, adding that it would be tough for the government to bear the cost without adjusting prices of fertilisers.

Another question will arise in the case of gas price adjustments, he added.

Mustafiz also mentioned that the growth of tax collection by 16.6 per cent was far below the growth the National Board of Revenue (NBR) needs to achieve to accomplish the Tk 330,000 crore collection goal for fiscal year 2021-22.

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PALASH KHAN

Visitors inquire about projects at the inauguration of a five-day REHAB Fair-2021 organised by the Real Estate and Housing Association of Bangladesh (REHAB) at Bangabandhu International Conference Center in Dhaka yesterday.

Flats turn dearer for middle class as cost escalates

Most developers cater to high-income groups

STAR BUSINESS REPORT

Though hundreds of housing projects and flats are being exhibited at the REHAB Fair-2021, there is an insignificant percentage of properties for the middle-income groups.

According to company executives, there are at best 10 per cent flats that the middle-income earners can afford.

While talking to a number of executives at the stalls at the fair venue at the Bangabandhu International Conference Center in the city's Sher-

e-Bangla Nagar, a flat priced below Tk 4,500 per square foot (sft) could not be found.

The escalating price of land and the rising prices of raw materials are making properties unaffordable for the middle-income groups day by day.

Mahamuda Ziben Anamika, an assistant manager at Sky View Foundation Ltd, says the real estate company is offering flats with sizes ranging between 700sft and 3,000sft, targeting middle to high-income-

earners.

It has 18 projects in various parts of the city at the moment. Of them, seven are ready and the rest are under construction.

The price ranges between Tk 5,000 and Tk 12,000 per sft. The company is offering Tk 200 discount per sft if the property is booked during the fair, according to Anamika.

Sheltech, one of the top real estate companies in Bangladesh, is exhibiting 20 projects. Of them, two are ready in Badda and Mirpur, with flat sizes of 1,250sft to 1,500sft.

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\$21b investment proposals since Covid outbreak

Says Bida executive chairman

JAGARAN CHAKMA

Bangladesh has received investment proposals totaling \$21.17 billion since the coronavirus pandemic struck the world nearly two years ago, said a top official.

The Bangladesh Investment Development Authority (Bida), has got proposals involving \$14.77 billion, the Bangladesh Economic Zones Authority \$5 billion, the Bangladesh Export Processing Zones Authority \$1.35 billion, and the Bangladesh Hi-Tech Park Authority \$5.5 billion.

The proposals were received by the four investment promotion agencies between January 2020 and December 20 this year, and the figures were disclosed at the ongoing Dubai Expo 2020.

"It was the outcome of combined efforts of the four investment promotion authorities," Md Sirazul Islam, executive chairman of the Bida, told The Daily Star yesterday, confirming the investment proposals.

"Bangladesh is an ideal destination

"It was the outcome of combined efforts of four investment promotion authorities," says Md Sirazul Islam, executive chairman of Bida

for foreign investors as the government is creating an investment-friendly atmosphere with necessary infrastructures," he said, adding that the country had received the proposals amidst the challenging coronavirus pandemic.

In 2020, the Bida attracted \$7.12 billion worth investment proposals. Of the sum, \$4.85 billion came from local investors and \$2.26 billion from foreign investors and the joint ventures set up by local and foreign investors.

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ADB to lend extra \$13.5m to modernise irrigation

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The Asian Development Bank (ADB) yesterday signed agreements with Bangladesh for a \$13.5 million in additional project loan to modernise irrigation in the country.

The additional loan will improve management, operation, and maintenance of large-scale irrigation schemes and protect productive lands from flooding. The additional loan will scale up the ongoing \$46 million Irrigation Management Improvement Project.

Fatima Yasmin, secretary of the Economic Relations Division, and Edimon Ginting, country director of the ADB, virtually signed the loan agreements, said the bank in a press release.

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Rejoinder, our reply

On behalf of the board of directors of Delta Life Insurance Company, a director has sent a rejoinder to a report headlined "Irregularities cost Delta Life Insurance Tk 3,687cr" published in The Daily Star on December 5.

Here is the rejoinder:

The report stating that the IDRA has detected Delta Life Insurance Company's board and management were involved in irregularities or embezzlement of Tk 3,687 crore is completely baseless.

The ACNABIN report that has been mentioned in the news article is a provisional interim report. No basis has been provided, and all possible allegations made there have been mentioned categorically as 'possible irregularities'.

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How to deal with friends and family loans

MD ABU TALHA SARKER

Millions of people borrow money from family and friends across the world for reasons ranging from meeting household expenditures to educational and health expenses.

This is because this form of credits is easily accessible and much cheaper. It does not depend on your credit score. And there is very little interest rate involved.

You can't expect such benefits from a traditional lender, which will look at your credit-worthiness and even charge a sizeable amount of interest rate.

Most loans from a friend or a family member are simply repaid, according to personal finance experts. But there are situations when things can go wrong.

And any failure to honour the deadline and repay can cause guilt, resentment, a loss of trust and easily taint a perfectly built-up relationship. There are countless stories where friends and families have split over an unpaid debt, irrespective of the amount.



So, the process of borrowing money should not be done hastily because it can be a recipe for disaster. Before asking a friend and a relative for a loan, consider whether this is your best option and treat the process with care, and do what it takes to keep both the cash flow and relationship in a good shape.


If your back is against the wall and a loan from a beloved one is the most responsible way to get out of a bad financial situation, borrowing money might be your best option. And make sure you do it the right way.

MAKE A PITCH AS TO WHY YOU NEED MONEY

Before asking for a loan, you provide your friend or relative with a clear idea about your intention for the money such that he or she can understand you have a sufficient rationality for the fund.

BE HONEST ABOUT YOUR FINANCIAL SITUATION

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REMEMBERING A TRUE PIONEER

LATE M. A. HASHEM
(1943 - 2020)

The IDLC family remembers with reverence a great visionary leader M. A. Hashem on his first death anniversary. He will forever remain in our hearts and we want to reach new heights following his footsteps.