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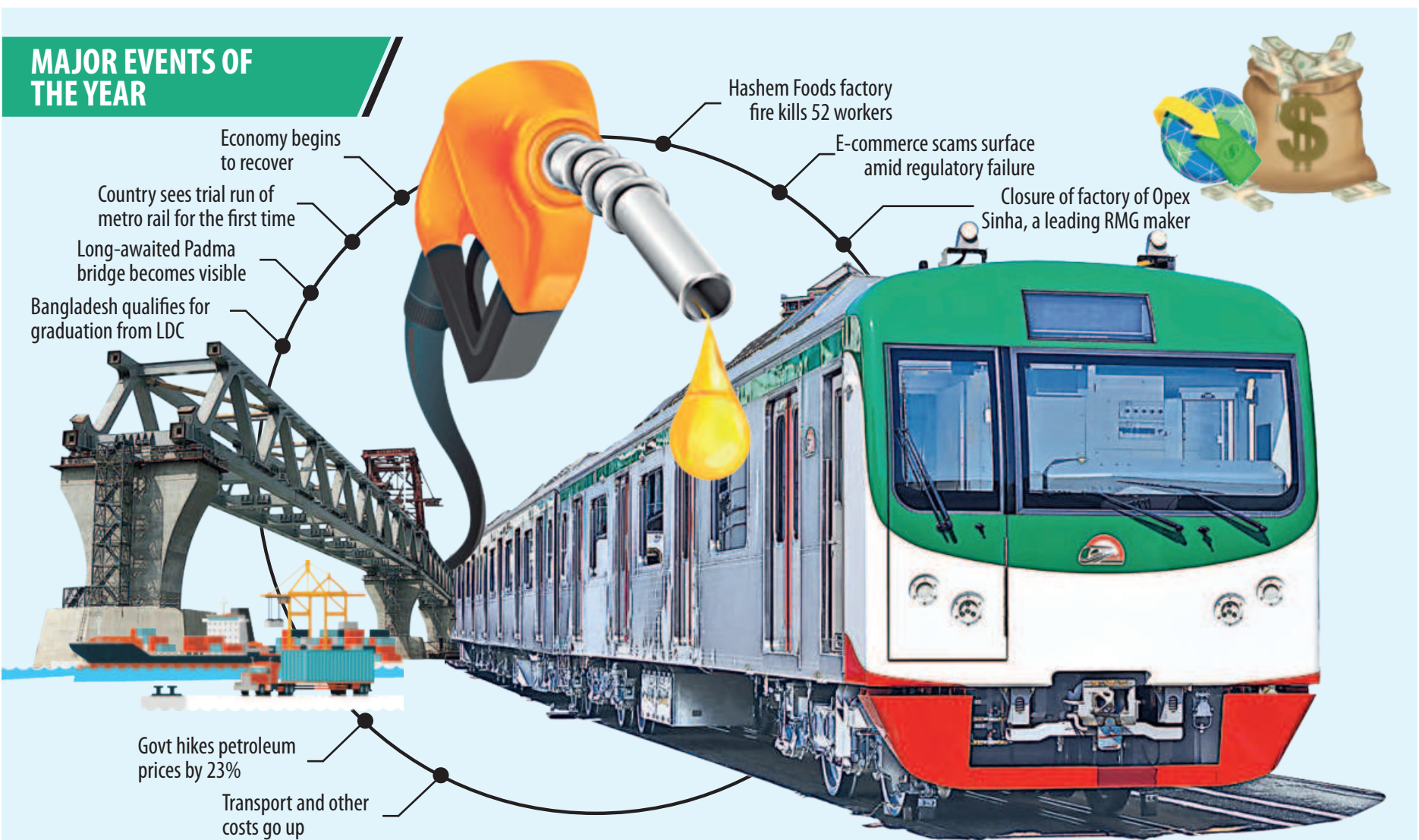
THREE WHITE KNIGHTS OF ECONOMY

Agriculture, export, remittance helping country weather pandemic turbulence

SUKANTA HALDER and MD ABU TALHA SARKER
 Agriculture, exports and remittances have been the key pillars of Bangladesh's economy for much of its history. These three drivers also helped the country navigate a turbulent 2021 when most economies around the world struggled amid recurrent coronavirus waves, supply bottlenecks and unprecedented levels of inflation. "We did not face any food shortage because of robust farm production. Healthy flow of remittance has given us stability and led to an increase in consumption as this money ends up in villages," said Atiur Rahman, Bangabandhu Chair professor at the University of Dhaka. Another driver of the economy is the export of garments, which are on the rise. Apparel shipment accounts for 85 per cent of the national export receipts. The economy is liquid because of the stimulus package that the government has boldly introduced since the pandemic arrived on the shores of the country. "Thanks to the liquidity, consumption increased," said Rahman, also a former governor of the central bank. Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, says the export sector has done a commendable job for the economy. The flow of remittances has also come in handy. "The agriculture sector has been fairly resilient. This is helping the economy rebound."

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2021 BY THE NUMBERS	INFLATION	FOREX RESERVE ↑	TAX COLLECTION	NPL	PRIVATE CREDIT GROWTH ↑
	Nov 2021: 5.98% Nov 2020: 5.52% ↑	Dec 29, 2021: \$46,025m Dec 29, 2020: \$42,837m	2021: Tk 227,389cr 2020: Tk 180,284cr	Sep 2021: 8.12% Dec 2020: 7.66% ↑	Nov '21 over Nov '20: 10.11%
	EXPORT	IMPORT	REMITTANCE	DSEX ↑	EXCHANGE RATE
	Until Nov 2021: \$39,314m 2020: \$30,294m 30% ↑	Until Oct 2021: \$64,156m 2020: \$42,597m 51% ↑	Until Dec 23, 2021 2021: \$21,742m 2020: \$21,741m ↑	In points Dec 30, 2021: 6,756 Dec 30, 2020: 5,402	Against dollar Dec 30, 2021: Tk 85.80 Dec 30, 2020: Tk 84.80 1.17% ↑

BB eases loan classification rules

STAR BUSINESS REPORT
 The Bangladesh Bank yesterday eased its loan classification policy for all borrowers following demand from the country's top trade bodies, including the FBCCI. As per new decisions, a borrower will not be considered defaulter if they pay 15 per cent of the total instalment of loans payable in 2021 instead of the previous 25 per cent. The decision came following a meeting between the central bank high-ups and the leaders of the trade bodies led by Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). BB Governor Fazle Kabir was present at the meeting, which took place at the central bank headquarters. On December 27, the central bank relaxed the rules for small and medium enterprises (SMEs), allowing them to pay 15 per cent of their total instalments payable this year. But the BB yesterday said that all borrowers, including the large ones, were now be able to enjoy the facility like the clients of the SME sector. Md Serajul Islam, a spokesperson and an executive director of the BB, said that the relaxed

policy would be applicable only for this year. "The relaxation will not be extended anymore," he said. A BB official said that the central bank would allow banks to accept the instalments from

The central bank took the decision following demand from the country's top trade bodies, including the FBCCI

borrowers in the next 7-8 days. A post facto approval will be given to adjust the instalments. The FBCCI, the country's apex trade body, has recently called for an extension of the relaxed policy until June next year as the pandemic persists.

As per the proposals, borrowers, who have taken loans of up to Tk 10 crore from banks, should be treated as non-defaulters in spite of their inability to pay any instalment. Clients, whose outstanding loans ranged from Tk 10 crore to Tk 500 crore, should be considered non-defaulters if they can give only 2 per cent of their payable instalments within the period. Those with loans of more than Tk 500 crore should be allowed to avoid the default zone if they can pay 1 per cent of their payable instalments, according to the FBCCI. FBCCI President Jashim Uddin said that the trade bodies had raised the issue given the ongoing situation. The central bank had considered it and relaxed the rules slightly. The trade bodies also sought the default loans rescheduling facility by giving 2 per cent down payment. "The central bank has assured us of taking the issue with due importance," Uddin said. Leaders from the Bangladesh Garment Manufacturers and Exporters Association, the Bangladesh Knitwear Manufacturers and Exporters Association, and the Metropolitan Chamber of Commerce and Industry were present.

Trade with S Korea sees stellar growth

STAR BUSINESS REPORT
 Bilateral trade between Bangladesh and South Korea reached a record high of \$2.01 billion from January and November this year, registering a 54.6 per cent year-on-year growth. It was \$1.3 billion during the same period last year, said the Korean embassy in Dhaka in a press release yesterday, citing data from the Korea Trade Association. Between January and November this year, Bangladesh's export to Korea surged 35.8 per cent year-on-year to \$498 million. Korea's export to Bangladesh rose 61.9 per cent to \$1.51 billion. Two-way trade has been stagnant at a level below \$1.6 billion for almost a decade after it peaked \$1.87 billion in 2011. Bangladesh's export to the East Asian nation, which reached \$100 million in 2007 and \$200 million in 2011, had remained stagnant after it hit \$300 million in 2013. But, despite the Covid-19 pandemic, Bangladesh's exports to Korea crossed \$400 million in 2019 and recorded \$393 million in 2020. It is expected to go past \$500 million by the end of this year. The main export items are garments, sports and leisure items and bronze scraps.

Top brands honoured

STAR BUSINESS REPORT
 Some 102 leading brands in 35 categories were honoured yesterday with the objective of encouraging businesses to win consumer confidence by offering good products and services and building up their reputation. The country's biggest mobile financial service provider, bKash, was recognised as Bangladesh's top brand. Coming next were Ispahani Mirzapore Tea of Ispahani Tea and Radhuni of the Square Food & Beverage out of 15 overall best brands, according to the 13th edition of Best Brand Award Bangladesh at Le Méridien Dhaka. Bangladesh Brand Forum (BBF) organised the event in partnership with Nielsen Bangladesh and in association with The Daily Star.

Dhaka trade fair begins tomorrow

STAR BUSINESS REPORT
 Cancelled in 2020 for rising coronavirus cases, the annual Dhaka International Trade Fair (DITF) is making a comeback, beginning tomorrow at its new venue in Purbachal. The new premises, Bangabandhu Bangladesh-China Friendship Exhibition Centre, is the country's biggest multipurpose trade exhibition complex. Prime Minister Sheikh Hasina is scheduled to virtually inaugurate the month-long fair, now in its 26th edition. Companies from home and abroad will showcase their goods in 225 stalls and pavilions, said Md Iftikher Ahmed Chowdhury, secretary to the Export Promotion Bureau (EPB). The stalls and pavilions have been erected keeping in mind the need for social distancing, he said.

2021: a year of regaining confidence in stocks

But sporadic rumours remain

AHSAN HABIB
 The outgoing year bears special significance for Dhaka stocks for quite a number of developments. The benchmark index soared to its historical high thanks to a rebound in investors' confidence after many years. Average daily turnover was the second biggest in recent memory, more than double that of the preceding year. Yet two perennial pains prevailed: rumour-based trading and manipulation of select scripts. The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), ascended to 7,367 points on October 10, the highest since its inception in 2013. The DSE's daily average trading amounted to Tk 1,475 crore, coming second after that of 2010, according to the DSE data. This was a year-on-year jump of 126 per cent from Tk 648 crore in 2020. Progress also came though the launch of secondary trading of government securities. The start of trade of treasury bonds in the secondary market ended a wait of over a decade,

TOP TURNOVER LIST (2021)

Company	Turnover (In crore taka)	In % of DSE turnover
Beximco Ltd	29,729	8.4
Beximco Pharma	9,014	2.6
LafargeHolcim	8,739	2.5
LankaBangla Finance	8,489	2.4
British American Tobacco	7,724	2.2

TOP GAINERS OF 2021

Stock price rise in %

SOURCE: INTERNATIONAL LEASING SECURITIES

Tamijuddin Textile	1158
Paper Processing	1140
Sena Kalyan Insurance	603
Sonali Life Insurance	485
Fortune Shoes	321

creating one more investment tool for retail investors reliant only on shares and mutual funds. Meanwhile, small and medium enterprises (SMEs) also got a scope to raise funds from the stock market. Six SMEs raised Tk 70.5 crore, a first for the SME platform launched in 2019. Trading at the new board started too. More funds were also raised by companies this year. A total of 23 companies

raised Tk 1,653 crore through initial public offerings (IPO). In contrast, Tk 985 crore was raised by eight companies in 2020. One drawback, however, was a fall in foreign investors' participation. Foreign investors reduced their investment in October and November by Tk 1,962 crore and Tk 1,139 crore respectively as their sales surpassed purchases. The year was comparatively better for the capital market in context to recent times as investors' confidence returned and turnover more than doubled, said Faruq Ahmad Siddiqi, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC). Many investors became interested to invest here. However, the scenario centring manipulation has not improved, he said. Stock prices of small paid-up capital based companies soared abnormally and illogically and some people took advantage of it, he said. One of the entities was Tamijuddin Textiles, a low-paid up capital based company. The

price of its stocks rose the highest, 1,158 per cent. Hot on its heels were peers Paper Processing (1,140 per cent), Sena Kalyan Insurance (603 per cent), Sonali Life Insurance (485 per cent) and Fortune Shoes (321 per cent). On the companies which raised funds through IPO this year, he said, "I hoped to see better companies in the IPO list." The year started off well but a rift between Bangladesh Bank and the BSEC spooked investors' confidence, said a top official of a merchant bank, preferring anonymity. One issue of contention has been resolved recently but tension prevails over two others, he said. One is over the BSEC ordering all listed companies, including banks and non-bank financial institutions (NBFI), to deposit their unclaimed dividends to a stock market stabilisation fund. The other is over the BSEC allowing the banks and NBFIs to declare dividends from the current year's profits even if there were cumulative losses.

Time to reset financial goals

MD ABU TALHA SARKER
 People across the world are eagerly waiting to welcome 2022. And, this is the perfect time to assess your financial goals and evaluate what is working and what is not in order to have a better life in a turbulent time. While making financial resolutions to improve your situation is good practice at any time of the year, many find it easier to execute best practices at the beginning of a new year.



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