

## Euro hits 10 month-high on dollar

REUTERS, Singapore

The euro sat at a 10-month high against the dollar on Thursday, ahead of a European Central Bank meeting at which markets expect a half-percentage point rate increase, a day after the US Federal Reserve slowed the pace of its rises to 25 basis points.

The Fed also said it had turned a corner in the fight against inflation, its first explicit acknowledgment that price increases are slowing, underpinning market expectations that the end of the central bank's rate-rise campaign is near, and cuts could follow.

The dollar's most dramatic overnight dive came after Fed Chair Jerome Powell told a post-meeting news conference that "the disinflationary process has started", although he also signalled that interest rates would continue rising and that cuts were not in the offing.



Ensuring three meals a day seems like a tall order for most poor households but the ENRICH programme of the PKSf has helped increase the income and food intake of some 56 lakh people across 197 unions in the country since its inception in 2010.

PHOTO: COLLECTED

# PKSF scheme helps raise income of households: study

STAR BUSINESS REPORT

An initiative of the Palli Karma-Sahayak Foundation (PKSF), styled "Enhancing Resources and Increasing Capacities of Poor Households towards Elimination of Poverty (ENRICH)", has helped increase the income and food intake of about 13 lakh households across Bangladesh, according to a study.

The integrated development programme was launched in 2010 with a total of 21 unions under its coverage. Since then, the ENRICH programme has expanded to cover some 56 lakh people across 197 unions in the country.

The average monthly income per capita of those living in these unions has increased to Tk 1,871 as of 2018 compared to the baseline of Tk 1,435 registered eight years prior, the study shows.

Martin Greeley, a professor of development studies at the University of Sussex, Asif M Shahan and Shubhasish Barua, associate professors of development studies at the University of Dhaka, jointly conducted the study from 2010 to 2018.

The researchers said this programme's value should not be determined only by its nominal value as it has multidimensional social outcomes, including raising "human dignity" in society.

A book based on the study, titled "Sustainable Development, Human Dignity and Choice: Lessons from the ENRICH Program, Bangladesh", was unveiled by the PKSf at its auditorium in Dhaka yesterday.

The study also found that the most significant change in terms of food intake took place in three unions, namely Saghata in Gaibandha, Durgapur in Netrokona and Simanto in Chuadanga, where almost 98 per cent of the locals now enjoy three meals per day.

The intake of animal protein also rose during this period.

In addition, around 53.6 per cent of the households surveyed now have health cards, which allows holders to receive services provided under the health component of ENRICH.

Previously, only 1.6 per cent of the households in unions under coverage had access to this benefit.

Besides, seven of the 10 unions surveyed saw a decline in the number of households without a lavatory.

Also, the dropout rate among primary school children in ENRICH unions has come down to 0.9 per cent whereas the national average is 4 per cent.

Along with economic empowerment, the PKSf programme focuses on enhancing human dignity and bringing down the number of ultra-poor people, according to Shahan.

The associate professor of development studies then said that no matter how much economic progress a person makes, they do not have the ability to change society if they themselves lack dignity.

Ensuring dignity means combining the capabilities of people functioning in a society in a way that helps ultra-poor people get equal respect, said Barua.

Speaking at the event as chief guest, Moshir Rahman, the prime minister's adviser on economic affairs, welcomed the concept of improving peoples' dignity.

"The idea of dignity is not usually seen

in discussions related to the economy or its growth. But in this study, dignity has been considered as an indicator of development, which is unprecedented," he said.

Rahman hoped that the ENRICH programme would further expand in the future given its success so far.

Kazi Kholiquzzaman Ahmad, chairman of the PKSf, said under this programme, necessary services and support are provided at every stage of a person's lifecycle so that they can make the best use of existing opportunities.

However, Ahmad informed that the finance ministry has suspended funding for the programme for the last three years.

And although the programme is ongoing, it is uncertain how long it will last without budgetary support, he added.

Among others, MA Baqui Khalily, a former professor at the University of Dhaka, and Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development, also spoke at the event.

## B2B startup ShopUp

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comes at a time when global investment in local startups is on the decline due to global economic uncertainties.

"Normally startups in Bangladesh get investment from global venture capital firms but debt financing for a local startup is a first. So, I think it is a positive thing for Bangladesh," said Fahim Mashroor, CEO of bdjobs.com.

"Besides, this is the first time any bank is giving a big amount of loan to a startup. So, it is also a milestone," he said. However, the only matter of concern is that if the taka depreciates further in the future, the startup will face problems repaying the loans, he added.

Debt financing is a kind of funding given to startups by any type of lender, including banks, for a certain period of time. It is similar to a traditional loan as a startup borrows the money and pays it back with interest.

Meanwhile, startup investments come from venture capital firms which in turn seek an equity stake in the business in the form of shares.

Although ShopUp already raised over \$200 million in investments from global investors, for a startup to avail a loan implies that it is finding

it difficult to attract big amounts in recent times, said an industry insider wishing anonymity.

"The new debt facilities will help us reach our goal of creating a seamless distribution network for food and essentials that serves 80 million people in Bangladesh," says Ateef Zaman, CEO and founder of ShopUp.

"Our recent success in securing financing is a reflection of our financial stability and our efforts towards having a positive impact in Bangladesh," he said.

ShopUp's commerce platform Mokam partners with manufacturers, brands, and mills to streamline the distribution of food and household necessities among small shops.

Currently, 20 million people in Bangladesh access food and essentials through Mokam's network of shops.

The company operates REDX, a last-mile logistics network in Bangladesh and is committed to addressing gaps in the country's food supply chain infrastructure.

"We have been impressed by the scale of business and quality of team that ShopUp has built to date," said Hani Ibrahim, chief investment officer of Lendable.

## Loan provision rules eased

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the difference between the lending rate and the deposit rate – is 3 per cent in the banking system in Bangladesh.

"Now, the stock market intermediaries will get more loans," he added.

The central bank maintained a 9 per cent lending rate and a 6 per cent deposit rate since April 2020 before bringing in some changes last month.

In January, the deposit rate floor was scrapped while banks were allowed to raise the interest rate on consumer loans to as high as 12 per cent. The lending rate ceiling on all other loans is still 9 per cent, however.

A stock market analyst says the central bank has relaxed the provisioning rules in a bid to boost investors' confidence.

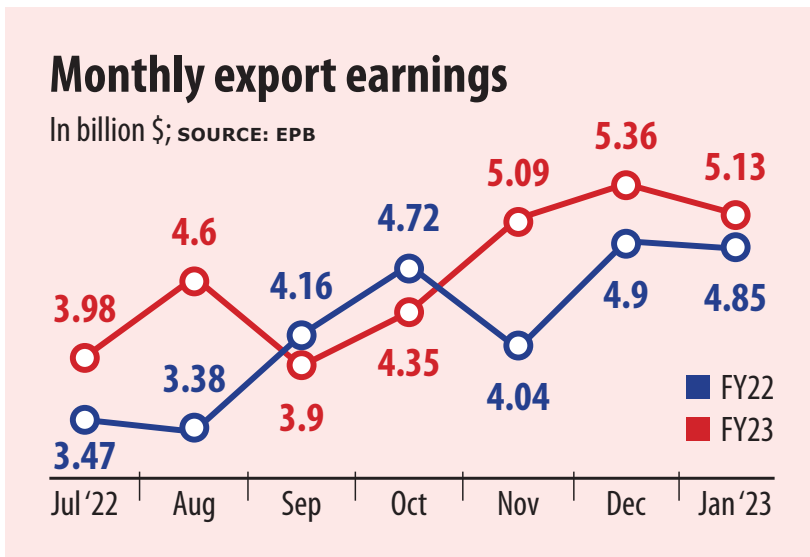
The DSEX, the benchmark index of the Dhaka Stock Exchange, has

been hovering around 6,200 points for months and turnover dropped below Tk 500 crore due to the lack of confidence among the investors amid persisting economic uncertainty caused by the fallout of the Russian war in Ukraine and the global energy shortage as well as the energy crunch and higher inflation in Bangladesh.

As the stock market investment is quite risky, the central bank has advised banks to keep higher provisioning to safeguard the interest of depositors, said the analyst.

He, however, thinks that funds from banks should not come to the stock market in the first place since the market is driven by speculation.

"The stock market in Bangladesh relies heavily on banks. But for a strong and vibrant stock market, the market should get rid of this reliance," he said.



## Export earnings defy

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Leather and leather goods shipment rose 7.37 per cent to \$733.09 million in July-January compared to the same period a year earlier, EPB data showed.

Md Saiful Islam, a former president of the Leathergoods and Footwear Manufacturers and Exporters Association Bangladesh, however, thinks that the earnings from the sector would have grown by 25 per cent had the central effluent treatment plant in Savar been fully operational.

"The capacity of the local industry has improved a lot."

Besides, the entrepreneur said, orders are shifting from China as international retailers and brands are reducing their reliance on the world's second-largest economy, known as the "world's factory".

"Global retailers' confidence in Bangladesh has grown a lot as local manufacturers continued uninterrupted supply of goods even during the peak of Covid-19 whereas almost all supplying countries halted production," he said.

PRF's Razaque also said the shifting of orders from China because of the geopolitical tension has played

a vital role in gaining more orders from international customers.

The export earnings from the sectors such as frozen and live fish, agricultural products, pharmaceuticals, jute and jute goods, carpet, home textiles and furniture declined year-on-year in the first seven months of 2022-23.

Bangladesh's export has kept posting positive growth despite the worsening global economic situation. The exports of goods and services from Bangladesh would contract by 7.2 per cent in the current financial year, according to an estimate by the International Monetary Fund.

The Bangladesh Bank, however, has forecast a 10 per cent export growth for the financial year that ends in June.

The import and export growth rates are expected to be moderate significantly due to the base effect and cooling down of internal and external demand in the backdrop of possible economic recession in the advanced economies, said the central bank in its latest monetary statement.

Exports from Bangladesh hit an all-time high of \$52.08 billion in the last financial year, an increase of 34.38 per cent year-on-year.

## Mobile makers seek

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facing some difficulties regarding installing the Bijoy APK.

The letter said to include a new APK in handset software, which was not a globally used APK, various types of development and tests were needed as well as additional time and investment.

An APK has to be updated continuously to make it compatible with all available android versions which is a huge task, it said.

The APK company has to update it in a timely manner, handset companies cannot make it compatible. So, there is a chance of the local APK becoming incompatible with some models of handsets/android, it said.

"Reportedly, the supplied APK already crashed in several handsets," it said.

A Google compatibility test is required to get relevant approvals for each version of the software. Even global companies like Facebook, IMO and WhatsApp face trouble making their APK compatible with all devices. The Bijoy APK may also fail the compatibility tests sometimes, it said.

Global brands have to get their headquarters' approval for

preinstalling any additional software in their handsets. This requires further testing and time. So, in consideration of these, implementing the BTRC's instruction will require a considerable amount of time, at the least, it said.

"It leads us to a very complicated situation," Rizwanul Haque, vice president of the association, told The Daily Star.

"Now, there will have to be two software for a global handset brand: one for Bangladesh and the other for other countries," he added.

Preinstalling the Bijoy app is creating many hurdles and the companies want the BTRC to withdraw the decision immediately, said a top executive of a mobile manufacturing company wishing anonymity.

Mustafa Jabbar, posts and telecommunications minister, holds the patent of the Bijoy Bangla Keyboard. The BTRC reports to the ministry.

Shyam Sunder Sikder, chairman of the BTRC, said no decision has been taken with regard to the association's letter as it has not yet been placed at a meeting of the commission.

## Sanem economists' conference

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macroeconomics, monetary economics, energy, digital economics and emerging global economic challenges.

About 300 economists, researchers, development activists, policymakers, teachers and students from South Asia will attend in person while another 400 from around the world will join virtually.

Scholars and economists from home and abroad will present their research, said Raihan, also a professor of the Department of Economics at the University of Dhaka.

There will be discussions of senior teachers and economists while many young students will present papers, said Sayema Haque Bidisha, research director of Sanem and a professor at the department.

Those who have recently

graduated from different universities have learned a lot of new things and they will share those, which, in effect, will encourage them to conduct more research, she added.

The conference is scheduled to have three panel discussions and presentation of 80 research papers.

## BB sells dollar

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This forced the central bank to devalue its selling rate of the greenback several times in the last year, which caused the country's foreign exchange reserves to sink from \$44.99 billion a year ago to \$32.69 billion after the addition of the first instalment of IMF's loan of \$427.26 million yesterday.