



# Average loans by households nearly double in 6 years: BBS

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An increasing number of families are becoming connected with the formal financial system by depositing and borrowing money, according to the Bangladesh Bureau of Statistics (BBS).

For instance, the ratio of households with at least one member having a bank account doubled to 14.12 per cent in 2022 from 7.5 per cent six years ago.

And more than one-fifth of families had deposits in micro or financial institutions as of 2022. The ratio was 15.09 per cent in 2016, according to the latest Household Income and Expenditure Survey 2022 (HIES) of the BBS.

When it comes to borrowing, the ratio of households who received loans from financial institutions or friends rose to 37.03 per cent in 2022 from 29.7 per cent six years ago.

And the average amount of loans taken by the households nearly doubled from that in the year 2016. In 2022, an average family had loans amounting to Tk 70,506,

**Nore than one-fifth of families had deposits in micro or financial institutions as of 2022. The ratio was 15.09 per cent in 2016, according to the latest Household Income and Expenditure Survey 2022**

up more than 86 per cent from 2016.

An official of the BBS and an economist said the families borrowed the money to meet multiple needs and the amount of the debt is not high in view of the average monthly income of households recorded in 2022.

"People usually borrowed money with a view to meeting their multiple needs like educational expenses, medical healthcare services, business purpose as well as recovering from the post Covid-19 situation," said Mohiuddin Ahmed,

project director of the HIES 2022.

Besides, Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, gave credit for the higher financial inclusion to various aspects, including expansion of agent banking, mobile financial services (MFS) and higher rural migrations.

"Along with microcredit financing, there are many simultaneous interventions that are accelerating financial inclusion in the rural areas," he said.

The countryside is getting a huge number of agents banking outlets, enabling small and medium enterprises to conduct banking in the rural areas, he said.

In the latest HIES 2022 findings, 21.04 per cent households in rural areas had money deposited with micro or financial institutions in 2022 whereas it was 17.30 per cent in 2016.

In urban household, it had increased from 21.85 per cent to 22.20 per cent.

The rural consumers will be benefited in terms of the access to credit as well as access to funds, if this process of financial

inclusion continues in future, said Mansur.

The nano loans will be very competitive in future in Bangladesh, he said.

However, Mansur said although the average loan per household has somewhat increased, it was going to be almost compatible with the household income.

"The average annual per household loan is still manageable. It has not become a huge burden yet," he said.

The average monthly household income rose to Tk 32,422 in 2022, up more than 102 per cent from that in 2016, according to the latest HIES key findings.

The economist also saw a competitive market in the rural areas in future arising between the micro finance institutions (MFIs) and modern financial institutions.

Usually, microcredit institutions used to charge high interest, which they might not continue to do as agent banking outlets are available now.

They have to sustain by competing with the banks or mobile financial institutions or have to drop out from the market, he said.

## Nurun Nahar becomes BB deputy governor

STAR BUSINESS REPORT



Nurun Nahar has recently been appointed as deputy governor of Bangladesh Bank for a three-year term.

She was appointed on a contractual basis and the appointment will be effective from July 1, according to a gazette notification of the Financial Institutions Division signed by Deputy Secretary Md Jihad Uddin. She has been serving the central bank as an executive director.

According to the notification, Nurun Nahar has been appointed as deputy governor of Bangladesh Bank for a period of three years from the date of joining subject to voluntary retirement from the present post and suspension of post-retirement leave (PRL).

Nahar became the second woman to hold this post of Bangladesh Bank. Nazneen Sultana was the first female deputy governor.

Nurun Nahar obtained a BSc degree from the University of Dhaka in 1984 and an MBA degree from Asia University of Bangladesh in 2001. She joined Bangladesh Bank in 1989 as an assistant director. She was born in Dhaka in 1965.

## UCB inks deal with Syngenta and Upay

STAR BUSINESS DESK

United Commercial Bank (UCB) recently signed an agreement with Syngenta Bangladesh Limited and UCB Fintech Company Limited (Upay) for the former to provide agricultural loans to registered farmers at a low interest rate.

Mobile financial service provider Upay will act as a loan withdrawal and repayment platform to facilitate farmers located in remote areas.

ATM Tahmiduzzaman, deputy managing director of UCB, Md Shah Alam Bhuiyan, deputy managing director, and Mohammad Hedayet Ullah, managing director of Syngenta Bangladesh, signed the agreement in Dhaka, said a press release.

Md Sekander E-Azam, senior executive vice-president of the bank, Sheikh Mohammad Rashedul Hasan, managing director of UCB Asset Management, Ziaur Rahman, chief strategy officer of Upay, were present.

## Colgate to build factory

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"Our first choice is to build the factory at the Mirsarai Economic Zone," said Chowdhury.

He hopes that the commercial operation of the factory will commence at the end of 2025.

Colgate products are already popular in Bangladesh but they are import-based.

The oral care market, which is growing by 5 per cent annually, is dominated by Unilever. Colgate has around a 10 per cent share of the market. Other major companies in the segment are Anford Bangladesh Ltd, Square and GSK.

If the products are manufactured locally, consumers will get them at cheaper prices. Besides, Colgate-Palmolive has some modern solutions for oral care and those solutions will also be available in Bangladesh,

according to Chowdhury.

Global companies are increasingly looking at Bangladesh as a lucrative market as the buying capacity in one of the most populous countries in the world is growing steadily.

Bangladesh is expected to be the ninth-largest consumer market globally by 2030, leaving behind the United Kingdom and Germany, said a report by HSBC Global Research in October.

In 2021, Bangladesh was the 16th largest consumer market globally.

Manufactured by Colgate-Palmolive, Colgate's oral hygiene products were first sold by the company in 1873. It produces products for oral care, personal care, beauty and pet care.

It holds around 40 per cent market share in the oral hygiene product segment globally in 2021.

In India, Colgate controls more than 50 per cent market share in the toothpaste category.

Advanced Chemical Industries (ACI) Limited is one of the largest conglomerates in Bangladesh with a multinational heritage. Yesterday, it said it is going to form a joint venture with Colgate-Palmolive (Asia).

The joint venture is proposed to be named Colgate-Palmolive ACI Bangladesh Pvt Limited, according to a filing on the Dhaka Stock Exchange.

The local conglomerate will invest about Tk 50 crore over a period of the next three years against its 24 per cent holding in the proposed company.

ACI is also a household name in Bangladesh and it operates across the country through its four diversified strategic business units.

ACI Pharmaceuticals is

dedicated to introducing innovative and reliable pharmaceutical products.

ACI Consumer Brands produces and markets products in the segments of toiletries, home care, hygiene, electrical, electronics, mobile, salt, flour, foods, rice, tea, edible oil and paints.

ACI Agribusinesses is the largest integrator in the agriculture, livestock, fisheries, farm mechanisation, infrastructure development services and motorcycle segments, while ACI Retail Chain runs the largest retail chain in Bangladesh through SHWAPNO outlets, according to the website of ACI.

The group posted a 9.4 per cent year-on-year higher profit to Tk 37.96 crore in the last financial year that ended on June 30. Shares of ACI were unchanged at Tk 260 on the DSE yesterday.

## Yellen urges further WB reforms this year

AFP, Washington

The World Bank should take on added reform measures this year, US Treasury Secretary Janet Yellen said Wednesday, after initial steps to update the global lender's mission and boost its financing capacity.

The revamp of the bank comes amid pushes for it to meet global challenges such as climate change.

"We should use the rest of the year to undertake additional reforms through a staged implementation approach," Yellen said, at the start of a roundtable discussion.

The bank's mission now "highlights the importance of inclusion, sustainability and resilience to global shocks," she said, outlining various changes in the pipeline.

graduation from the LDC group. This is because the budgetary support will decline following the graduation."

The manufacturing and export of high-end items will help face the post-LDC challenges, he said.

"Following the graduation, Bangladesh will have to remove trade barriers."

Finance Minister AHM Mustafa Kamal said: "There is nothing to be worried about the next budget. You [the businesses] will not be losers. The government will also not be a loser."

He said Bangladesh hopes to be a member of the G-20 by 2041 on the back of growing wealth.

"Nothing will be added in the next budget that may pile pressures on the people. In the next budget, there will elements that will take the country forward."

## Remove AIT, end harassment

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micro, small and medium enterprises in the tannery sector so that they can contribute to the export of the second-largest export-earning sector after the garment industry.

He requested the government to make the central effluent treatment plant at the Savar Tannery Industrial Estate fully functional so that the tannery sector can tap its potential.

Ahmed demanded the government impose higher duties on the import of rawhides from China and neighbouring countries.

Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry, sought a reduction of corporate taxes by 2.5 per cent as the rate is one of the highest in Bangladesh compared to competitors.

In his budget proposal,

FBCCI President Md Jashim Uddin, who also moderated the discussion, suggested the government remain cautious while withdrawing taxes from different sectors considering the ongoing difficult time.

He called for the rationalisation of taxes to save the local industry.

The business leader urged the government to cut the cost of doing business by developing infrastructures, providing protection to investments, improving the efficiency of ports, and reducing shipping costs.

He also suggested prioritising the energy and power sector in the upcoming budget.

NBR Chairman Abu Hena Md Rahmatul Muneem said: "Bangladesh needs to be more competitive to face the challenges that may stem following the country's

## Visa launches commercial card solution for businesses to pay suppliers

STAR BUSINESS DESK

Digital payment service provider Visa recently launched a solution titled "Business Payment Solution Provider" (BPSP) in partnership with SSL Wireless and Southeast Bank.

The solution allows businesses and corporate buyers to make it possible for businesses to do commercial card payments for various services -- utility bills, salary, rent and supplier payments.

"As the country's first such platform that bridges the gap between

card-enabled businesses and non-card accepting suppliers, I am certain this will drive financial inclusion among businesses," said Soumya Basu, country manager for Bangladesh, Nepal and Bhutan at Visa.

"Creating a cashless society, the BPSP service will allow corporate organisations to pay their vendors in a quick and hassle-free manner along with up to 49 days of interest free credit period," said Abdus Sabur Khan, executive vice-president of Southeast Bank.

"The BPSP platform will help SMEs

and corporations ... manage their vendor and other payments as well as secure credit in the most efficient manner possible so that they are free to focus their energy on improving their business profitability," said Shahzada M Redwan, director of SSL Wireless.

Iftekhar Alam, chief operating officer of SSL Wireless, Ashish Chakraborty, director of Visa Bangladesh, Nepal and Bhutan, Arifur Rahman, director of Visa Bangladesh, Nepal and Bhutan, and Abdus Sabur Khan, head of cards of Southeast Bank, were present.

**Government of the People's Republic of Bangladesh**  
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e-Tender Notice No. 02

### e-Tender Notice

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the following package-

Tender ID No.	Invitation Reference No.	Description	Online Tender Notice Publication Date and Time	Online Tender Notice Closing Date and Time
816865	46.04.0000.102.07.007.23-621	WAF-API Management Procurement of advance WAF, API Management, API Gateway & API Security for BDRIS	16-Apr-2023 09:00	30-Apr-2023 15:00

This is an online Tender, where only e-Tenders will be accepted in the National e-GP Portal. No offline/hard copies will be accepted. To submit e-Tender registration in the National e-GP system portal (<http://www.eprocure.gov.bd>) is required.

The fees for last selling/downloading the e-Tender Documents from the National e-GP system portal have to be deposited online through any registered bank/branches upto date & time.

Further information and guidelines are available in the National e-GP system portal and from e-GP help desk([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd))

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