

Incentivising internal migration can better calorie intake

Finds research of Yale professor

STAR BUSINESS REPORT

A research experiment on providing temporary migration loans in Bangladesh saw a 22 percentage point rise in such movements from the rate of households already prone to adopting this mode of income.

Moreover, the migration rate remained 10 percentage points higher after three years while daily food consumption increased by 600 calories per person per day.

The study was conducted selecting 19 landless households from each of 100 villages of Kurigram and Lalmonirhat districts in Rangpur division between 2008 and 2011 by Mushfiq Mobarak, a professor of management and economics at Yale University.

His profile states that he conducts field

experiments exploring ways to induce people in developing countries to adopt technologies or behaviours that are likely to induce welfare and examines the complexities of scaling up development interventions proven effective in these trials.

He is said to have ongoing research projects in Bangladesh, Nepal and Sierra Leone.

Mobarak was addressing a seminar on “Seasonal Poverty and Migration: A research agenda in Bangladesh and Nepal” organised by BRAC University on its premises yesterday when the university’s acting vice-chancellor, Prof Syed Mahfuzul Aziz, was present.

Work is seasonal in rural agrarian areas in northern Bangladesh and the rural-urban wage gap and gap in hours increase during certain months in the crop

cycle, which can take an extreme form of seasonal hunger and unemployment, said Mobarak.

Between August and November and then February to April, households experience a lean period waiting for harvests, when they restrict the portion size or number of meals, he said.

Hundreds of people suffer the seasonal poverty of acute deprivation often associated with the pre-harvest lean season, he added.

This seasonal deprivation is harmful as missed meals, reduced portions and a lack of diet diversity and protein lead to malnourished children and undermines their physical and cognitive development, said Mobarak.

Moreover, desperate measures to address hunger have long-run adverse

effects such as lower agricultural productivity and poverty traps due to high-interest borrowing, he said.

This leads to the puzzles of policy implications on whether to create job opportunities such as food for work programmes in rural areas during lean seasons or to invest in better transport connectivity between rural and urban areas, he said.

Still, people opt out of migrating for the associated costs in making the journey, income risks in urban areas and urban problems such as pollution, said Mobarak.

Moreover, there are non-monetary costs of migration such as the psychological effects of staying away from families alongside rural amenities such as readily available assistance and rural support programmes, he said.

Stocks close higher

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All indices of the Dhaka and Chattogram bourses rose yesterday.

The DSEX, the benchmark index of the Dhaka Stock Exchange, gained 13 points, or 0.21 per cent, to 6,352. The DS30, the blue-chip index, rose 0.16 per cent to 2,192 while the DSES, the shariah-compliant index, went up 0.22 per cent to 1,378.

Turnover, a key indicator of the market, surged 35.9 per cent to Tk 1,063 crore. Of the securities, 82 advanced, 97 declined and 166 did not show any price movement.

Navana Pharmaceuticals posted the highest gain with an increase of 9.9 per cent. Progressive Life Insurance, Sonali Life Insurance Company, Yeakin Polymer, and Chartered Life Insurance Company were among the top gainers.

National Tea Company was the sharpest loser, shedding 6.1 per cent. Metro Spinning, Crystal Insurance Company, and Paramount Insurance Company were also on the list of the major losers.

The Caspi, the all-share price index of the Chittagong Stock Exchange, jumped 59 points, or 0.31 per cent, to close the day at 18,762.

Of the issues, 76 rose, 54 retreated and 77 did not see any price swing.

However, the turnover of the port city bourse dipped 54 per cent to Tk 21.62 crore.



Mohammad Gias Uddin Talukder, chairman of the shari’ah supervisory committee of Islami Bank Bangladesh, presides over a shari’ah supervisory committee meeting of the bank virtually held yesterday. Mohammed Monirul Moula, managing director, Sayeed Ahmed, vice-chairman, and Mohammad Abdus Samad, member secretary, attended the meeting.

PHOTO: ISLAMI BANK BANGLADESH



Abdul Muktedir, chairman and managing director of Incepta Pharmaceuticals, receives an award and a certificate from Hasan Mahmud, minister for the information and broadcasting, at the National Environment Award 2022 ceremony held at the Bangabandhu International Conference Centre at Agargaon in Dhaka on Monday.

PHOTO: INCEPTA PHARMACEUTICALS



Md Rabiul Alam, deputy general manager of Pubali Bank, and Shaikh Mohammad Imran Quader, vice-president of Dutch-Bangla Bank, exchanged signed documents of an agreement on fund transfer between Pubali Bank’s mobile banking apps (PI) and Dutch-Bangla Bank’s mobile banking (Rocket). Mohammad Ali, managing director of Pubali Bank, Md Shahnewaz Khan, deputy managing director, and Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, and Md Abedur Rahman Sikder, deputy managing director, were present.

PHOTO: PUBALI BANK



Faisal Rahman, additional managing director of Prime Bank, and Md Anisul Hoque, executive director, group-finance of Shanta Holdings, exchanged signed documents of an agreement on corporate payments and management information system services through primepay and its omni digital channel at latter’s head office in Dhaka recently.

PHOTO: PRIME BANK

Incepta wins nat’l environment award

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Incepta Pharmaceuticals Limited has won a “National Environment Award 2022” in an environmental protection and pollution control category for institutions.

Abdul Muktedir, chairman and managing director, received an award and a certificate from Information and Broadcasting Minister Hasan Mahmud at Bangabandhu International Conference Centre in Dhaka on Monday, said a press release.

The Ministry of Environment, Forest and Climate Change organised the programme marking World Environment Day and National Tree Plantation Campaign and Tree Fair-2023.

Environment, Forest and Climate Change Minister Md Shahab Uddin chaired the programme where Deputy Minister Habibun Nahar and Saber Hossain Chowdhury, chairman of the standing committee on the ministry, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUN 8, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	-0.74 ↓
Coarse rice (kg)	Tk 48-Tk 50	2.08 ↑	2.08 ↑
Loose flour (kg)	Tk 52-Tk 55	-5.31 ↓	12.63 ↑
Lentil (kg)	Tk 90-Tk 100	0	-11.63 ↓
Soybean (litre)	Tk 175-Tk 185	2.86 ↑	-2.17 ↓
Potato (kg)	Tk 36-Tk 40	1.33 ↑	61.7 ↑
Onion (kg)	Tk 70-Tk 75	31.82 ↑	93.33 ↑
Egg (4 pcs)	Tk 45-Tk 48	-2.11 ↓	9.41 ↑
SOURCE: TCB			



Sheikh Rakibul Karim, chief executive officer of Guardian Life Insurance, poses for photographs with officials of the insurer at the launching ceremony of child protection plan “Guardian Projonmo” at its head office in Police Plaza Concord Shopping Mall, Dhaka recently.

PHOTO: GUARDIAN LIFE INSURANCE

Guardian Life Insurance unveils child protection plan

STAR BUSINESS DESK

Guardian Life Insurance Limited recently launched a child protection plan, namely “Guardian Projonmo”.

Sheikh Rakibul Karim, chief executive officer of the insurer, inaugurated the new product at the insurer’s head office at the Police

Plaza Concord Shopping Mall, Dhaka, said a press release.

The product offers three different options to customers as per preference, namely aspire, academia and startup.

The policyholder can nominate one or more of his/her children under the plan and the maximum age of the child can be 25 years.

It will pay out more than 1.5 times the guaranteed coverage amount when the policy matures. Policyholders can also avail the option to receive money in phases instead of a single terminal payment and the nominee will receive more than double the coverage amount in the case of the sudden death of the policyholder.



Ahashanuzzaman Shujan, group head of human resources at Bangladesh Finance, and Shafaat Ali Choyon, head of marketing and corporate sales at Praava Health, exchanged signed documents of a memorandum of understanding on service relations at Bangladesh Finance Securities office in Gulshan, Dhaka on Wednesday. Mohammad Abu Obayed, head of wealth management at the non-bank financial institution, was present.

PHOTO: BANGLADESH FINANCE

Imports keep falling

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Consumer goods imports, however, rose 1.9 per cent to \$4.92 billion, led by a spike in the purchase of spices, edible oil and pulses.

Ahsan H Mansur, executive director of the Policy Research Institute, said the imports have fallen because of the US dollar shortage, not because of the regulatory controls.

“Our importers want to import raw materials, intermediate goods and machinery, but they can’t do so because of the dollar crisis.”

For the past one year, importers in Bangladesh have found it difficult to open letters of credit to buy raw materials and equipment from the international market owing to the persisting shortage of the American greenback. The shortage shows no sign of improving.

Mansur said the fall in the import of capital machinery means factories are not expanding. This will not bode well for the government’s plan to raise the investment-GDP ratio by 4 percentage points in the next financial year.

“And if the investment does not go up, the economic growth target will

not be achieved,” he said, adding that the opening of fresh LCs has already plummeted by more than 55 per cent.

According to the former economist of the International Monetary Fund, imports have already fallen sufficiently and it should not be allowed to go down further.

Central bank data showed the deficit in the financial account widened further to \$2.16 billion in July-April.

The deficit was \$2.04 billion in July-March whereas it stood at a surplus of \$11.95 in July-April of the last financial year.

A financial account is a component of a country’s balance of payments (BoP) that covers claims or liabilities to non-residents concerning financial assets. Its components include foreign direct investment, medium and long-term loans, trade credit, net aid flows, portfolio investment, and reserve assets.

A deficit shows more money is flowing out, while a surplus indicates more money is flowing in.

Historically the financial account of Bangladesh has experienced a surplus almost every year.

For example, it was \$944 million in FY16, \$4.25 billion in FY17, \$9.01 billion in FY18, \$5.13 billion in FY19, \$7.54 billion in FY20, \$14.07 billion in FY21, and \$13.67 billion in FY22, according to the World Bank data.

Mansur said the current account deficit of \$3.77 billion could easily be overcome during normal times when the country’s financial account was in surplus.

But when the financial account has itself turned negative, it is difficult to plug the shortage in the current account.

“But we have no other way but the stop the depletion of the forex reserve and build it further.”

He, however, thinks that turning the financial account into surplus wouldn’t be easy under the current economic uncertainty and after Moody’s downgrading of the country’s sovereign rating.

So, he urged the central bank to sit with banks immediately to find out the magnitude of the unpaid foreign bills. The Bangladesh Bank also needs to talk to external lenders and assured them that the country would pay back loans, he said.

Moody’s rating downgrade

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On condition of anonymity, a top official of a leading brokerage house, said the participation of foreign investors is still low as they suffer from a confidence crisis.

Foreign investment was in the negative for almost every month in the last four years. The situation was so dire at one point that foreign investors’ turnover in the stock market plunged to a decade-low of Tk 87 crore last March, as per DSE data.

“And now, the lower rating will further dampen their confidence,” Musa said.

Besides, institutional investors, particularly corporate houses, may become reluctant to pour funds into the stock market while the cost of

listed companies could also rise, he added.

Echoing the same, Md Sayedur Rahman, president of the Bangladesh Merchant Bankers Association, questioned how it could be possible for the index to drop further seeing as it remains at the bottom level.

Likewise, Richard D’ Rozario, president of the DSE Brokers Association of Bangladesh, said the lower rating has had no impact on local investors as they rush to invest based on rumours rather than fact.

Additionally, the floor price mechanism in place prevents the index from dropping past a certain point. But still, the downgrade is bad news for the market as it may impact the decisions of foreign investors.

At the end of July last year, the Bangladesh Securities and Exchange Commission set floor prices for each stock to halt the freefall of market indices amid global economic uncertainties.

The floor price was decided by averaging each stock’s closing price on July 28, 2022, with the preceding four days.

“So, the market is not being impacted with the bad news,” Rozario added.

On March 1, Moody’s downgraded Pakistan’s sovereign credit rating to Caa3 from Caa1.

After that, the KSE 100, the prime index of the Karachi Stock Exchange, dropped 3.5 per cent, or 1,460 points, in the first one month.