



With sustained inflation already denting their wallets, tenants are finding themselves in a tough situation as house rents are being hiked at the start of the new year. House rent rose by 5.81 percent in Bangladesh in the July-September period of fiscal year 2023-24, according to the House Rent Index. PHOTO: RASHED SHUMON

NEW YEAR, NEW RENT

Increase in house rent puts further burden on tenants

MD ABU TALHA SARKER and
SUKANTA HALDER

Hafizur Rahman works for a private company and was looking forward to an increment of Tk 1,500 in January, but at the turn of the year his house rent increased by Tk 2,000, leaving him instead facing a deficit of Tk 500.

Rahman is the breadwinner in his four-member household, including two children, one of whom is a fifth grader and another who was admitted to school in the just concluded month of December.

The 35-year-old, who resides in Sangbadik Abashik Alaka in Mirpur 11, informed that he had already spent around Tk 13,000 to admit his children to school.

This month, he received a notice from his landowner that the house rent would be hiked by Tk 2,000, leaving him worrying about how to cope with it.

After discussing his financial health with family and close relatives, Rahman was left with no alternative but to move to a new home.

"Now I am searching for a two-room flat within the range of Tk 12,000-Tk 13,000 in the same area. If I can find one, it will be a great relief," he said.

Another individual, Jamal Hossain Raju, works at an IT firm in Banani and lives in Khilkhet with his wife and son.

Raju also said he received a notice about an increase in house rent from his landlord last month which, alongside sustained inflation, has made life difficult.

The Consumer Price Index in Bangladesh rose 9.02 percent in fiscal



year 2022-23, portraying the highest average inflation rate in 12 years. That trend has continued in the current financial year of 2023-24, with inflation averaging 9.42 percent in November, figures from the Bangladesh Bureau of Statistics showed.

"The prices of daily essentials and other items have been going up day after day. Along with that, the increased house rent will pinch my wallet further," Raju said.

"I draw a monthly salary of Tk 32,000 and now I have to pay Tk 13,000 as rent from this month, up from Tk 11,500," he added.

The 32-year-old added that his company had already informed its

employees that they would not be given any increment this year.

As he laid bare his plight, he questioned: "If half of my salary is spent on rent, how will I save money for the future?"

After analysing his options, Raju was also facing the same reality in the end.

"In such a situation, it is very tough for me to live in this rented flat with my family. I have to search for a relatively lower priced flat in the Uttara or Badda area," he said.

At present, Raju's wife is also seeking employment as a means to alleviate some of the financial pressure on her husband.

Like Rahman and Raju, there are thousands of people in Dhaka and other cities who are struggling against a

common woe: a hike in house rent.

Speaking to 15 tenants in different areas of the capital, including Mirpur, Uttara, Shyamoli, Kalyanpur, Dhanmondi, Moghbazar and Mohammadpur, house owners increasing rent from the beginning of the new year appears to be a common trend, with increases ranging from Tk 500 to Tk 2,000 or more.

Tenants say landlords raise rents at will, alleging that The House Rent Control Act, which was enacted three decades ago to protect the interests of tenants, has no use in reality.

House rent in different parts of Bangladesh rose by 5.81 percent in the July-September period of fiscal year 2023-24, according to the House Rent Index of the Bangladesh Bureau of Statistics.

In the last 15 years, house rent in the capital has increased more than 6-fold, according to the Consumers Association of Bangladesh.

Pranta Majumder, a businessman living in the capital's Bhatara area, said the rent for his 1,000 square foot two-bedroom flat had increased from Tk 15,000 last year to Tk 16,500 in January.

In this situation, Majumder has decided to bear the increased rent for a short time.

Jubayer Tanin, a resident of the West Rajabazar area of Farmgate who works for a private organisation, said he was sharing a four-room flat with four other bachelors. Their rent has also increased, jumping from Tk 27,500 to Tk 29,000.

"I have not received an increment from my company yet. However, a new figure has already been added to the list of expenses," he said.

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New year expectations from capital market

M SHAHRIAR AZAD BHUIYAN

As stakeholders in Bangladesh's capital market drew the curtain on a lacklustre year, the dawn of 2024 brings with it a glimmer of hope and anticipation.

The year 2023 witnessed an average turnover of Tk 578 crore on the main bourse of the Dhaka Stock Exchange, a figure that fell short of market expectations and left investors yearning for a change.

In 2024, the fervent desire is to bid farewell to the prolonged imposition of the floor price, a measure enforced by the Bangladesh Securities and Exchange Commission (BSEC) on July 28, 2022, with hopes that this will pave the way for increased turnover on both stock exchanges.

As the stock market looks forward to the new year, several critical factors emerge as determinants of its trajectory. Investors, both local and foreign, are closely monitoring developments, with expectations hinging on key elements that are poised to shape the market's fate in 2024.

The eagerly awaited national election, which took place on Sunday, stands as a pivotal moment for the stock market. Investors keenly observed the election outcome, understanding its potential to influence market sentiment and stability. The correlation between political stability and economic performance is well-established, and a favourable election result is anticipated to instill confidence and optimism among market participants.

The stability of currency exchange rates and foreign reserves holds immense significance for the capital market. Healthy foreign reserves and stable currency exchange rates are essential ingredients for attracting foreign investors to the bourses.

As we step into 2024, the new government should focus on stabilising currency exchange rates as well as improving foreign reserves to foster an environment conducive to both local and international investors.

As of January 2, some 165 companies' shares out of 392 on the main board of the DSE were subjected to floor prices, prompting the BSEC to strategise a step-by-step withdrawal plan to assess the market's ability to absorb the impact. Investors believe that gradually removing the floor prices will help make it more flexible and responsive.

The allure of new investments is a cornerstone of market rejuvenation. With the possibility of lifting the floor price, investors anticipate renewed interest from both local and foreign entities.

A market without a price floor is more likely to minimise the liquidity crisis and attract fresh participants, thereby ultimately increasing market turnover. Investors who have remained on the sidelines due to the price floor are expected to inject new funds into the market, stimulating economic growth.

As Bangladesh kicked off a new year, the stakeholders in the capital market are hoping for a change. The anticipation surrounding the national election, stability in key macroeconomic indicators, the withdrawal of the floor price, and the injection of fresh funds collectively shape the narrative for 2024.

The author is head of operations and compliance at *UniCap Securities Ltd.* He can be reached at *shahriar@unicap-securities.com*. Views are personal



iPhone sales drop in China

REUTERS, Beijing

Apple's iPhone sales in China dropped by 30 percent in the first week of 2024, Jefferies analysts said in a note, adding to signs of growing competitive pressures from domestic rivals such as Huawei for the US tech giant.

The decline in Apple's sales was the primary catalyst for an overall double digit drop in China smartphone shipments for the first week, according to a note the brokerage published on Sunday. Other Android brands and Huawei achieved relatively flat growth year-over-year during this period, the note said.

This decrease in Apple's sales took place despite aggressive discounting of multiple iPhone models through major Chinese online marketplaces, according to the research note. For example, the iPhone 15 Pro and iPhone 15 Pro Max received a 16 percent price reduction on the e-commerce platform Pinduoduo in the first week of 2024.

The 30 percent drop represents an acceleration from the 3 percent year-over-year decline the US company saw for all of 2023 in its third-largest market, Jefferies said, adding that the brokerage derived this from its own market tracking. Specifically, the 3 percent decline in 2023 equated to a 0.4 percent decrease in Apple's market share.

Jefferies analysts said Apple's decline is largely attributed to competitive pressures from Chinese rivals, especially Huawei, which launched its Mate 60 series of phones in August last year.

Apple and Huawei did not immediately respond to requests for comment.

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Workers weigh and pack paddy bags at Sitapur market in the northern state of Uttar Pradesh, India. The world's second-largest producer of wheat, rice and sugar, India restricted exports of these commodities last year in a bid to rein in rising domestic prices.

PHOTO: REUTERS/FILIP

India's agri exports to rise despite curbs

REUTERS, New Delhi

India's agricultural exports will rise in fiscal 2023/24 from last year despite curbs on wheat, rice and sugar, the nation's trade minister said on Monday, amid efforts to diversify shipments.

The world's second-largest producer of wheat, rice and sugar, India restricted exports of these commodities last year in a bid to rein in rising domestic prices. These restrictions are likely to cause a shortfall of about \$4 billion to \$5 billion this year, Reuters reported last month.

"We had agri exports in the aggregate of about \$53 billion in 2022/23, and we expect the number to increase in the current year despite the restrictions placed on export of rice, wheat or sugar," trade minister Piyush Goyal said in his address to a conference in New Delhi.

Data from state-run trade body APEEDA showed that exports of meat and dairy, cereal preparations, and fruits and vegetables rose between April and November this year.