

Star BUSINESS

Mobile operators are now offering app stores, enabling developers to not only connect with users but also provide them with monetisation tools



Story on B4

Subletting surges as rents go through the roof

MD ASADUZ ZAMAN

Mohammad Abu Eusuf, a private sector employee who lives in Dhaka's Mirpur, earns about Tk 23,000 per month. But the income is not adequate for him to manage his monthly expenses given the ongoing inflationary pressure.

And after recently getting married, Eusuf had hoped to find an affordable one-bedroom flat with a monthly rent of between Tk 6,000 and Tk 8,000.

But amid the cost-of-living crisis and a lack of affordable housing, he failed to find one and ultimately had to settle with a two-bedroom flat for Tk 14,000 per month, including utilities.

As such, Eusuf decided to sublet the spare room in order to reduce his burden.

"How else could I bear the full rent of the two-room flat?" he asked.

He pointed out that while subletting the room is providing financial relief, it comes at the cost of his family's privacy.

Ahsan Habib Sabuj, a subtenant in the Ashulia thana under Dhaka, said no one prefers sharing their flats unless severely financially constrained.

He paid Tk 4,700 for his share of the Tk 8,200 house rent in December.

The 35-year-old garment worker, who lives with his wife and another woman, informed that the area is home to thousands of garment workers who share flats to cut expenses.

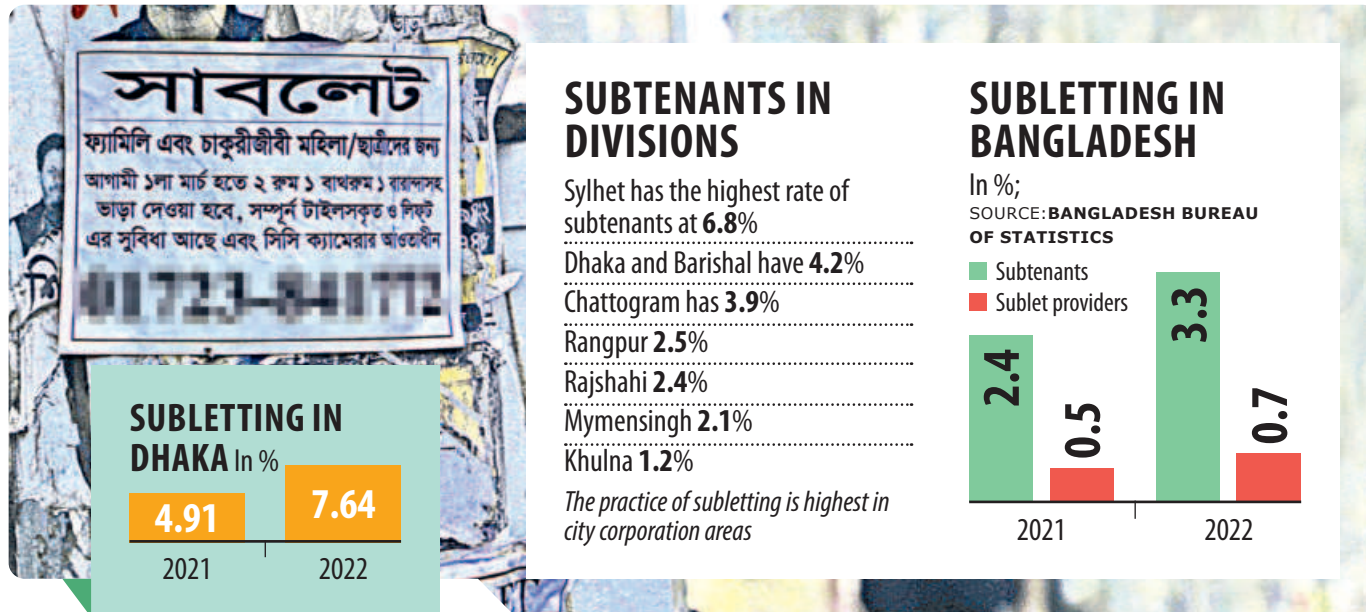
According to the Bangladesh Sample Vital Statistics of the Bangladesh Bureau of Statistics (BBS), more than two lakh households in the two city corporations of Dhaka were sublet in 2022.

The annual report on demographic data compiled by the state-run statistical agency showed that 70,000 of these households were sublet for the first time.

The data showed 7.64 percent of the people in Dhaka are subtenants, up by 2.73 percentage points from 2021, as people were cutting back on their expenditures to battle higher inflation, which has stayed more than 9 percent since March.

The sublets are mostly sought by limited and middle-income groups in urban areas.

The number of sublessors in the capital



city rose by about 0.15 percentage points to 2.05 percent of its population at the same time.

Dhaka's population stood at 1.02 crore in 27 lakh households that year, according to the Population and Housing Census 2022.

"The rise in sublets is closely linked with the rapid urbanisation and the poverty situation in Dhaka city," said Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre.

"This is because people think sharing their houses to reduce costs is a necessary sacrifice amid the current economic climate."

Besides, poor management in the housing industry has created a huge gap between the demand and supply for affordable housing amid rapid urbanisation, he added.

The urban poverty rate in Bangladesh currently stands at 14.7 percent while it is 14.3 percent in Dhaka city, according to the Household Income and Expenditure Survey 2022.

Rahman, also a former caretaker government adviser, said despite its obvious drawbacks, subletting is becoming a new housing solution.

For example, many students and workers in urban areas used to stay at

hostels or under other shared living arrangements.

Now, many families are subletting their homes to these students and workers as it reduces their costs while the subtenants get to enjoy better a living environment.

Adil Mohammed Khan, president of the Bangladesh Institute of Planners, said the elevated prices of essentials have forced lower and middle income groups to cut down on rents.

"That is why some people are taking sublets while others are sending their families back to their village homes to manage the costs."

Khan pointed out that areas outside Dhaka are failing to generate enough employment as efforts to decentralise the country's main economic hub remain unsuccessful.

"As such, demand for affordable housing continues to rise in the capital city."

Against this backdrop, Khan said social or shared housing solutions could be an effective strategy to address the demand of lower-income people in urban centres.

"Appropriate policies, strategies and initiatives are needed to increase the supply of affordable housing."

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BBS misses deadline to publish quarterly GDP report

REJAUL KARIM BYRON

The Bangladesh Bureau of Statistics (BBS) has missed its December deadline to publish a quarterly gross domestic product (GDP) report, under a move to provide a timely status of the health of the economy.

GDP measures the monetary value of final goods and services produced in a country in a given period of time. Bangladesh publishes it on an annual basis and the real figure is known much after a fiscal year ends.

So, bringing out the first quarter GDP report for the current fiscal year by December 2023 was one of the conditions laid out by the structural reform programme set by the International Monetary Fund (IMF) for its \$4.7 billion loan.

The move is designed to enhance the Bangladesh Bank's monitoring and policy-making capacity, according to an IMF document.

It will also help policymakers analyse whether their targets for factors such as economic growth are on the right track and provide insight into whether corrective measures are needed.

The central bank has already announced two monetary policies this fiscal year: once in July and once in January. However, although over one month has passed since the deadline, the BBS has not published the quarterly GDP report.

A second review mission of the IMF will arrive in April and assess the targets that Bangladesh has met and has not met before approving the third tranche of the loan.

Finance ministry officials said that this was one of the structural conditions so they would comply with it before the second review. It will not pose any obstacle to getting the loan, they added.

Many countries, including Saarc countries, regularly publish quarterly GDP, but Bangladesh has not launched it yet.

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Floor price lifted for 3 more firms as index keeps rising

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has lifted the floor price for three more companies—Anwar Galvanizing, Orion Pharmaceuticals and Renata—amid a rising trend of the key index.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), edged up 23 points, or 0.37 percent, to close at 6,346 yesterday.

The index has gone up in the last seven days, advancing 267 points, or 4 percent. This prompted the BSEC to withdraw the floor price for the three companies yesterday. The order comes into effect today.

According to a notice from the regulator, the floor price for British American Tobacco Bangladesh, Grameenphone and Robi Axiata will be lifted from their next record date, the day on which a company finalises the list of shareholders eligible for its forthcoming dividend distribution.

The commission has not said anything when the floor price for Meghna Petroleum, Beximco Ltd, BSRM Ltd, KPCL, Shahjibazar Power, and Islami Bank Bangladesh will go.

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Boeing proposes aircraft sale to Biman

STAR BUSINESS REPORT

American aerospace company Boeing has submitted a proposal to Biman Bangladesh Airlines over the sale of aircraft.

This was informed by US Ambassador to Bangladesh Peter Haas to Civil Aviation Minister Muhammad Faruk Khan during a courtesy call at the latter's Bangladesh Secretariat office in the capital yesterday.

"Boeing has given a proposal for selling new aircraft to Biman Bangladesh Airlines. We want Boeing to be able to be a part of (Biman's aircraft) purchase process and it is done through a transparent competition," Haas told reporters on emerging from the meeting.

In response, the civil aviation minister said the US definitely wants more Boeing aircraft to be added to the Biman fleet.

"However, we will consider everything, including the financial and technical aspects, and then take the decision. We will buy aircraft from either Boeing or Airbus, whichever is beneficial for Bangladesh," said Khan.

He was also asked when an audit of Federal Aviation Administration of the US would be completed, which would lead to the resumption of direct flights between Dhaka and New York.

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Jiban Bima stops selling pension policy after govt rolls out universal scheme

STAR BUSINESS REPORT

State-run Jiban Bima Corporation (JBC) has stopped selling its popular yet unprofitable private pension insurance policy since December 1, months after the government rolled out the Universal Pension Scheme.

In August 2023, the government launched the universal pension scheme, the first of its kind in Bangladesh, with a view to bringing in 10 crore people under the social safety net system.

According to an order of the insurance company on November 28, the private pension insurance policy is unprofitable and the actuarial consultant has recommended stopping marketing it. So, the sales have been stopped.

The order has been approved by JBC's board.

"Even though agents and policyholders were benefiting, the government was counting losses. Also, the government wants to give more priority to the Universal Pension Scheme. All of these factors have played a part in its discontinuation," said an official of JBC on the condition of anonymity.

Abul Khair Mohammad Hafizullah

Govt's pension scheme

- In August 2023, govt launched Universal Pension Scheme (UPS) for 10cr people
- UPS aims to bring every citizen aged above 18 under the pension coverage
- This initiative will provide protection to 85% of population
- There are four different schemes: Pragati, Surokkha, Samata and Probashi
- A total of 17,995 persons so far subscribed to these schemes



JIBAN BIMA'S PENSION SCHEME

- Private Pension Insurance Policy is one of the most popular products of Jiban Bima
- Jiban Bima says the policy is unprofitable
- The corporation stopped selling the Private Pension Insurance Policy since December
- Old policyholders have no reason to worry, says Jiban Bima

Khan, managing director of JBC, said existing policyholders have nothing to fear for the halting of the sales of the private pension insurance policy.

"This will not affect them." According to the private pension insurance policy, if a policyholder passes away anytime within 10 years after making the first deposit, the nominee will receive the pension for the remaining years before it turns 10.

In the case of a natural death before the policy matures, the nominee will receive a one-time lump sum payment.

The policy also has an accident death rule where the nominee gets 30 times the annual premium after the holder dies. It allows 50 to 100 percent withdrawal at any time and taking loans against the policy.

Like other life insurance policies, the pension insurance money is income tax-

free and a rebate was also available on the premium amount.

The Universal Pension Scheme aims to provide protection to 85 percent of the population under the low-income bracket and those employed in the informal sector.

There are four products—Pragati, Surokkha, Samata and Probashi—under the initiative.

Pragati covers private job-holders and Surokkha is dedicated to rickshaw pullers, workers, potters, smiths, fishermen, weavers and self-employed persons.

Samata is for the people with low income and Probashi will cover expatriate Bangladeshis.

Some 17,995 people have subscribed to the scheme in the first five months after the launch, said an official of the National Pension Scheme Authority.

ACI CO-RO opens fruit drinks plant in Araihaazar

OUR CORRESPONDENT, Narayanganj

ACI CO-RO Bangladesh Ltd, a joint venture between ACI Ltd and Danish soft drinks company CO-RO A/S, yesterday opened a new factory to make fruit drinks under the Sunquick brand.

The plant is located in Araihaazar upazila of Narayanganj, southeast of the capital Dhaka.

Agriculture Minister Md Abdus Shahid inaugurated the factory, which has already started trial production.

"Foreign investment in the agricultural product market is increasing day by day and that comes with product diversification," said Shahid.



He said CO-RO had shown confidence in the capabilities of Bangladesh and the potential of the nation.

"What ACI CO-RO is doing is truly commendable. They are procuring mango pulp from local sources and presenting quality products to consumers. They are sharing expert knowledge and creating employment opportunities in the local market," he added.

ACI CO-RO Bangladesh, established in 2019, started with an initial investment of \$20 million.

"This collaboration aims to combine local expertise with international excellence for the good of the Bangladeshi consumer," ACI CO-RO said in a statement.

The company will launch three flavours of Sunquick's ready-to-drink products.

Shahid was thrilled by the prospect of growth in the agri-processing sector, saying: "It is an area that we aim to elevate to the same prominence as our well-established garment sector."

He added that Bangladesh's processed food market was expected to grow \$5.8

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