

IDLC MONTHLY

BUSINESS

REVIEW

BREAKING THE CHAINS: FINANCIAL INDEPENDENCE IS THE KEY TO WOMEN'S EMPOWERMENT



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Breaking the Chains: Financial Independence is the Key to Women's Empowerment

As the world celebrates International Women's Day, it is important to continue monitoring progress in alleviating strict social and cultural constraints placed upon women. These constraints have long hindered women's empowerment and financial independence. The fact that organisations and governments are far from eradicating gender inequality despite numerous initiatives over the years speaks volumes about the long-standing deprivation of women's gender rights. Among the various key areas of empowerment for women, financial independence stands out as a crucial component that opens doors to women's empowerment. Being financially independent allows individuals to take control of their lives and make choices that align with their goals and aspirations. Financially independent women are empowered to pursue their interests, make informed decisions, and create better futures for themselves and their families.

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Breaking the Chains: Financial Independence is the Key to Women's Empowerment

Financial independence is a crucial aspect of women's empowerment because it enables women to take charge of their lives and make well-informed choices to build a better future for themselves as well as for their families, society, and the country at large. Research from the McKinsey Global Institute shows that the global GDP could grow by USD 12 trillion by 2025 if gender gaps are closed and women are given more economic power.

Women have been deprived of equal access to opportunities as their male counterparts throughout history. Despite comprising 60% of the workforce in the RMG industry of Bangladesh, the dearth of women at the industry's management level is leading to gender inequality and poor work culture. The gender pay gap has left women with little

savings and investments for the future, making them more exposed to economic instability.

Notwithstanding numerous hurdles, women in Bangladesh have made significant progress in climbing the corporate ladder and gaining leading positions. They have continually broken through boundaries and challenged societal norms. Bangladesh can pave the road to a more equitable and prosperous future for everybody by recognising the value of women's contributions to the economy and society and giving them equal chances.

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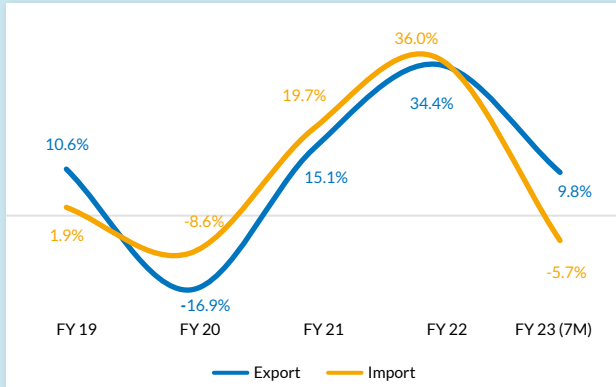
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ECONOMY AT A GLANCE

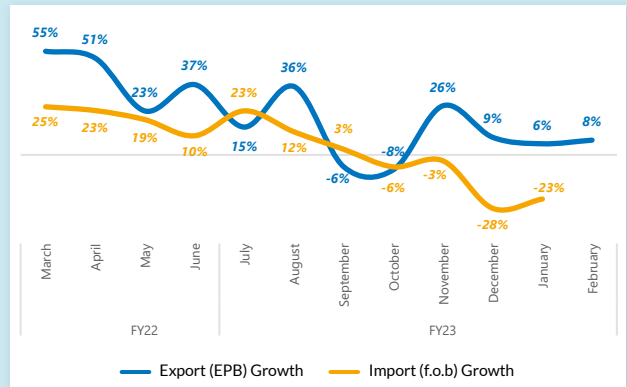
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EXPORT-IMPORT

Growth in Export-Import Trade (Last 5 Years)

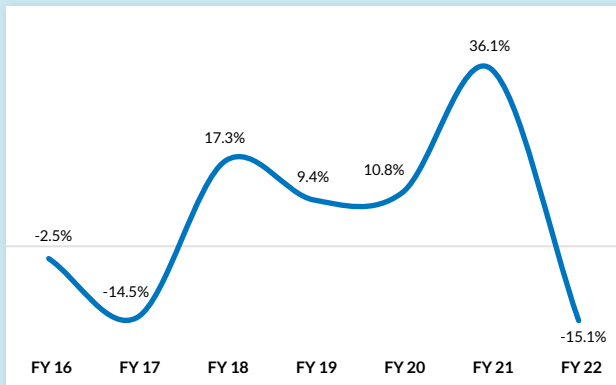


Export and Import Growth (Last 12 Months)

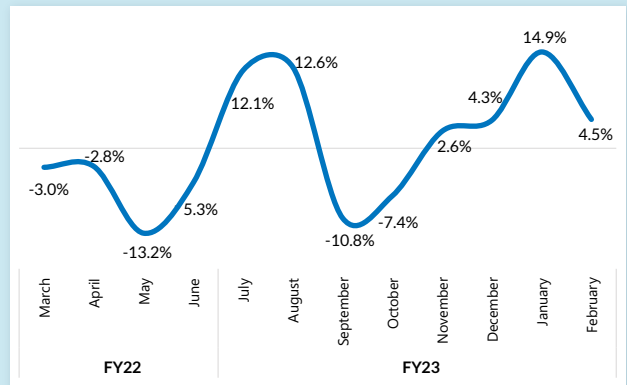


REMITTANCE

Remittance Growth (Last 7 Years)

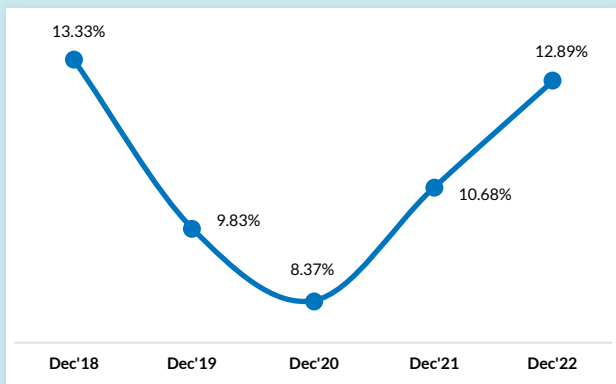


Remittance Growth (Last 12 Months)

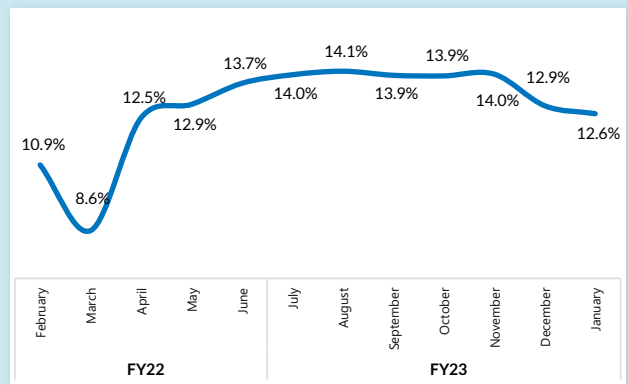


PRIVATE SECTOR CREDIT GROWTH

Private Sector Credit Growth (Last 5 Years)



Private Sector Credit Growth (Last 12 Months)



■ MONTH IN BRIEF

● **The inflation rate in Bangladesh dropped to 8.57% in January 2023 from 8.71% in December 2022**, according to data from the Bangladesh Bureau of Statistics (BBS). The cost of living is rising faster than the wage growth rate, which indicates declining purchasing power.

● As a result of the central bank's enhanced efforts to regulate imports, the private sector experienced a decline of **4.30% in foreign debt in the second quarter of the ongoing financial year, which amounts to more than USD 1 billion.**

● According to the data of the central bank, the balance of the gross foreign currency with the banks reached **USD 4,849.28 million in January 2023 in comparison to USD 4,708 million in December 2022, indicating 1.10% growth.**

● **Excess reserves of the banks after required cash maintenance reached BDT 11,000 crore in February 2023 in comparison to BDT 2,000 crore in December 2022**, which indicates the central bank's efforts to minimize the liquidity crisis have been fruitful.

● At a program held on February 22, 2023, it was announced that the International Finance Corporation (IFC) will invest **USD 5 billion in Bangladesh over the next five years to support sustainable development in Bangladesh.**

● In the second quarter of FY2022-23, the central bank reported the value addition in the readymade garments industry to be **62.78%, which is 11.39% higher than the previous quarter.**

● By the end of December 2022, Mobile Financial Services (MFS) providers experienced the total number of MFS accounts exceeding the **19 crore milestone, which is 2.14 crore higher than it was in the same period of the previous year.**

● **The microfinance institutions disbursed loans totaling around BDT 1.92 lakh crore in FY2021-22.** In the first six months of FY2022-23, the figure has been observed to be BDT 1.10 lakh crore.

● As of February 10, 2023, the central bank has invested USD 330 million in the forex market since February 01, 2023, **which came from the first installment of the USD 4.70 billion loan Bangladesh received from the International Monetary Fund (IMF).**

● According to the Ministry of Finance, revenue mobilization was BDT 1.078 trillion in the first four months of **FY2022-23, in comparison to expenditures of BDT 1.047 trillion, which resulted in a budget surplus of BDT 31.38 billion.**

THE CENTRAL BANK SHOULD CAUTIOUSLY SUPPLY FOREIGN CURRENCIES TO THE MARKET. IF THE RESERVES SLIP BELOW THE LEVEL, THE IMF MAY DISCONTINUE ITS PROGRAMME AND POSTPONE ITS NEXT DISBURSEMENT.

Ahsan H Mansur, Executive Director of Policy Research Institute, on the Bangladesh Bank Injecting USD 330 Million into the Country's Foreign Exchange Market. (February 10, 2023. The Daily Star.)

The liquidity stress in the market has reduced a bit recently. This is because the central bank has increased money pumping through repo. If enough cheap loans are available from the central bank, interest rates in the money market will naturally decrease.

Selim RF Hussain, CEO and Managing Director of BRAC Bank, on the Central Bank Pumping in More Cash to Ease Liquidity Crisis. (February 13, 2023. The Business Standard.)

This only underscores the importance of measures to stabilise the balance of payments that must go beyond the draconian administrative controls to compress imports.

Zahid Hussain, Former Lead Economist of World Bank, on the Private Sector's Foreign Debt Decreasing by 4.30%. (February 13, 2023. The Daily Star.)

People are gradually becoming used to digital transactions. We are also trying to continuously include a variety of facilities. Currently, dozens of facilities including merchant payment and bank deposit are available through MFS.

Shamsuddin Haider Dalim, Head of Corporate Communications of bKash, on the Number of Accounts with Mobile Financial Services (MFS) Providers Surpassing 19 Crore Mark. (February 13, 2023. The Business Standard.)

Small entrepreneurs do not want to go through the complicated bank borrowing process. Therefore, small businesses and common people prefer loans from microfinance institutions even at higher interest rates.

Sayema Haque Bidisha, Research Director of South Asian Network on Economic Modeling, on the Microcredit Boom as Rural People Opt for Hassle-free Loans. (February 25, 2023. The Business Standard.)

During the last quarter, raw material prices fell while our exports continued to grow after a month of negative growth in September.

HM Mustafiz, Managing Director of Cute Dress Industry, on Bangladeshi Readymade Garments Industry Adding More Value to Products. (February 08, 2023. The Business Standard.)

There are several reasons why foreign currency transactions through cards are on the rise. Dollar price at the open market is Tk110-112, whereas the cost stands at Tk106-107 when dollars are endorsed using cards.

Shaheen Iqbal, Head of Treasury of BRAC Bank, on Card-based Forex Transactions Hitting All-time High in December 2022. (February 13, 2023. The Business Standard.)

We have started phasing out tax exemption for the local mobile phone manufacturers as we found them built capacity to pay tax.

Abu Hena Md Rahmatul Muneem, Chairman of National Board of Revenue, on the Need for Minimising the Tax Benefits to Prepare the Country for Graduation. (February 20, 2023. The Financial Express.)

Now bank boards can regularise the long defaulted loans on their own. The rescheduling earlier required around 8%-10% down payment, but the amount is now only 2%-4%.

Mirza Elias Uddin Ahmed, Managing Director of Jamuna Bank, on Default Loans Dropping by BDT 13,740 Crore in Second Quarter of FY2022-23 on Relaxed Policies. (February 19, 2023. The Business Standard.)

Country	Nominal GDP: 2021 (USD in Billion)	Real GDP Growth: 2021 (Yearly % Change)	Inflation Point to Point (%)		Current Account Balance: (% of GDP)	Interest Rates (%), Ten years Treasury Bond	Currency Units (Per USD)
Frontier Market							
Sri Lanka	88.98	3.58	50.60	February-23	-3.76	25.79	323.43
Vietnam	366.20	2.58	4.31	February-23	-1.96	4.42	23,675.00
Kenya	110.52	7.23	9.20	February-23	-5.20	14.70	128.37
Nigeria	441.54	3.65	21.82	January-23	-0.42	14.23	460.52
Bangladesh	460.22	7.10	8.78	February-23	-4.06	8.34	106.36
Emerging Markets							
Brazil	1,608.00	4.62	5.60	February-23	-1.74	13.14	5.22
Saudi Arabia	833.54	3.24	3.40	January-23	5.32	N/A	3.75
India	3,176.30	8.95	6.52	January-23	-1.22	7.43	81.97
Indonesia	1,187.32	3.69	5.47	February-23	0.28	7.06	15,502.55
Malaysia	373.03	3.13	3.70	January-23	3.80	4.07	4.52
Philippines	394.09	5.60	8.60	February-23	-1.76	6.47	55.18
Turkey	817.51	10.99	55.18	February-23	-1.66	11.65	18.96
Thailand	505.90	1.57	3.79	February-23	-2.18	2.42	34.80
China	17,744.00	8.08	1.00	February-23	1.79	2.89	6.91
Russia	1,778.53	4.70	11.00	February-23	6.88	10.89	76.20
Developed Markets							
France	2,957.43	6.98	6.20	February-23	0.36	2.97	0.94
Germany	426.77	2.79	8.70	February-23	7.36	2.46	0.94
Italy	2,101.28	6.64	9.20	February-23	2.44	4.28	0.94
Spain	1,426.22	5.13	6.10	February-23	0.92	3.49	0.94
Hong Kong	369.16	6.42	2.40	January-23	11.27	3.64	7.85
Singapore	396.99	7.61	6.60	January-23	18.12	3.25	1.35
United States	22,996.08	5.68	6.40	January-23	-3.68	3.70	1.00
Denmark	398.30	4.13	7.60	February-23	8.75	2.71	7.00
Netherlands	1,013.52	5.04	8.00	February-23	9.04	2.81	0.94
Australia	1,635.26	4.69	7.80	December-22	3.15	3.48	1.52
Switzerland	799.80	3.72	3.40	February-23	9.45	1.31	0.92
United Kingdom	3,187.63	7.44	10.10	January-23	-2.59	3.65	0.83

Bangladesh Data : The new GDP size (FY22) and real GDP growth (FY22) are as per new base year. Calculation Method of CA balance (% of GDP) = CA balance of FY22 / GDP of FY22

Interest rate (%) 10 years TB as per February 2023, Inflation as per February 2023 and Currency Unit (per USD) as per 7th March are sourced from Bangladesh Bank

Nominal GDP : Data of all countries apart from Bangladesh is sourced from IMF estimates of 2022 data (October, 2022 Outlook)

Real GDP Growth and Current Account Balance: Data of all countries apart from Bangladesh is sourced from IMF estimates of October, 2022 data (World Economic Outlook, October 2022)

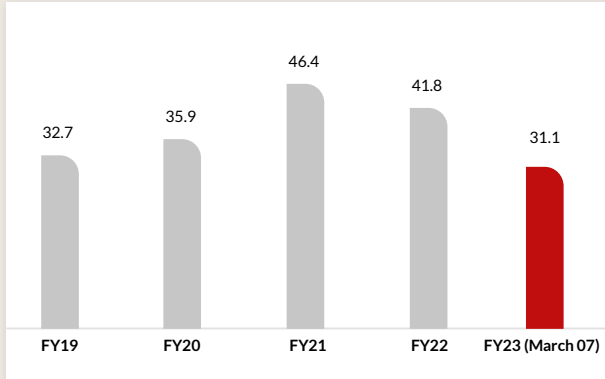
Inflation : Data of all countries apart from Bangladesh is sourced from tradingeconomics.com

Interest rates 10 years TB and Currency Unit : Data of all countries apart from Bangladesh is sourced from Investing.com

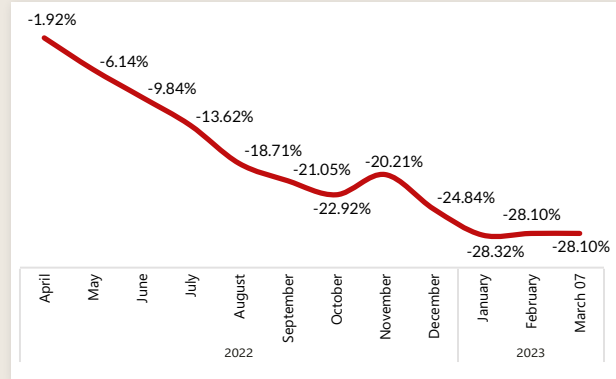
BANKING DATA CORNER

Prepared by IDLCSL Research Team

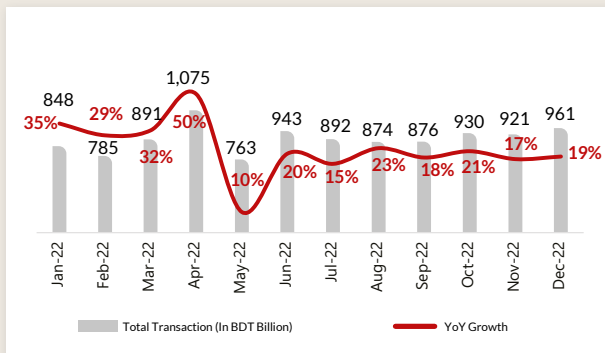
Foreign Exchange Reserve (In USD Billion and Last 5 Years)



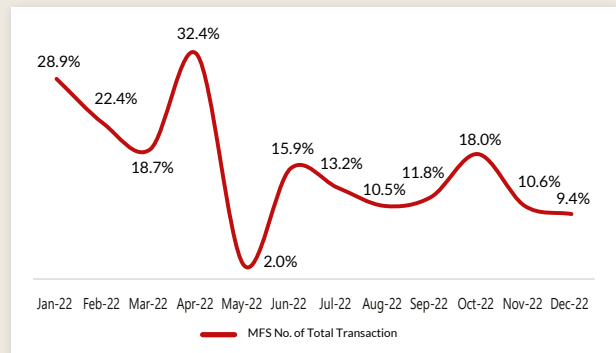
Foreign Exchange Reserve (Last 12 Months Trend)



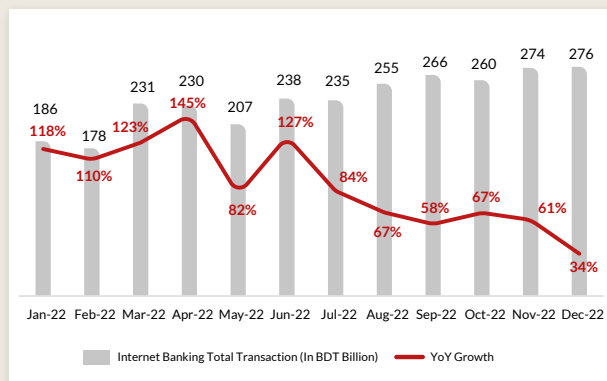
MFS Monthly Transaction (BDT Billion and YoY Growth)



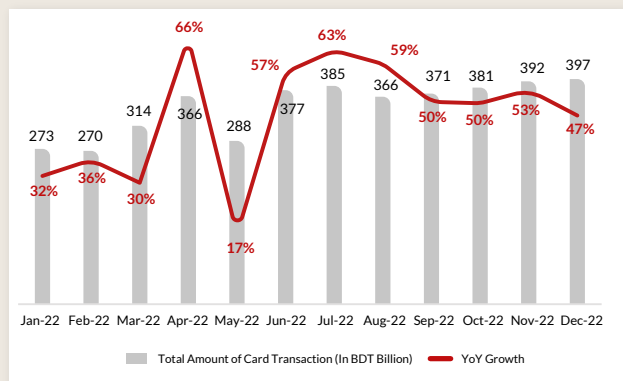
MFS No. of Total Transaction (YoY Growth)



Total Amount of Internet Banking Transaction (BDT Billion and YoY Growth)



Total Amount of Card Transaction (BDT Billion and YoY Growth)



Source: Bangladesh Bank

Happi



Kazi Sazidul Hasan
Founder and CEO, Happi

Interviewed by
Akhlaqur Rahman Sachee, Team MBR

Happi is a new digital financial service to enable the fastest banking and nano loan facilities for the underbanked/unbanked youths of Bangladesh in partnership with Dhaka Bank and Mastercard. Its vision is to enable affordable banking for 1.50 million underbanked/unbanked youths and SMEs by 2026. Happi is highly focused on aspiring millennials and gen-z who will become the leaders of tomorrow. Team MBR was in a conversation with Mr. Kazi Sazidul Hasan, Founder and CEO, Happi, to learn about his inspirations and vision behind the company.

Akhlaqur Rahman Sachee: Happi aims to provide instant banking accounts, savings, and credit facilities for Bangladeshi underbanked/unbanked youths through its app. Would you kindly share with us how you came up with this idea?

Kazi Sazidul Hasan: The idea came from my own experience, where a top-rated bank took almost three months to issue my credit card. Even the application of my co-founder, Shahadat, got rejected twice before he got his first credit card, even though his salaries were deposited into bank accounts on time. When we investigated both of our cases, we figured out that banks adopt a conservative approach towards millennial customers and early-stage companies before disbursing loans or credit cards to their owners or employees.

Happi

Also, most banks are reluctant to reach out to university students to get them to open bank accounts. In my university life, I never saw any bank come to our campus to get students to open bank accounts. I myself had to visit the bank to open my first bank account. Our banks are highly focused on big corporate clients. They hardly focus on young customers, who are going to constitute the future customer base. This corporate-focused mindset is widening the “trust gap” between them and the members of the younger generation, who are tech-savvy and have smartphones with internet access.

Our journey started by considering the above-stated scenario to build an easily accessible, credible, and fastest digital banking experience for the underbanked/unbanked aspiring millennials and gen-z, who are mostly young professionals,

young entrepreneurs, and university students. Our focused age group is 18–32 years, which is highly underbanked or unbanked and represents 40% of our total population.

Akhlaqur Rahman Sachee: May we know about your core team? What relevant experience do the team members have to build the products?

Kazi Sazidul Hasan: We are three co-founders in this mission and come from three different industries, like banking, tech, and growth marketing. Prior to starting this journey, I worked for more than four years in the e-commerce and tech industry, which includes companies like Daraz and Boupon, as a part of the growth marketing team.

Our COO, Md. Fazlur Rashid, worked for more than 25 years in reputed banks like Standard Chartered Bank, HSBC, and Eastern Bank in every area of retail and SME banking. And, our Tech Lead, Md. Shahadat, worked for four years in two tech companies named MaxPro IT and TechOrbital as a team lead.

Akhlaqur Rahman Sachee: While providing credit facilities, a thorough assessment of the creditworthiness of the applicants is a prerequisite. As Happi's target group comprises mostly the underbanked/unbanked, how is it going to ensure that?

Kazi Sazidul Hasan: Dhaka Bank and Happi have teamed up with Dana Fintech to use digital credit scoring to check customers' creditworthiness before lending. Since consumer lending is very technical and hypothesis-driven, we have customised the scoring measurement in the credit scoring system to rate a customer for lending. We have segmented customers into three categories: young professionals, young entrepreneurs, and university students. Currently, lending services will be available for entrepreneurs and professionals. For students, they will need to build credit scores and reach the minimum level

of score to enjoy Buy Now, Pay Later (BNPL) features on a small scale.

Akhlaqur Rahman Sachee: Some of the Mobile Financial Service (MFS) providers are already offering savings and limited credit facilities for their subscribers through their mobile banking apps in collaboration with some renowned banks and NBFIs. May we know how Happi's services are different from the aforementioned services?

Kazi Sazidul Hasan: The consumer lending industry has a potential market size of USD 15 billion in Bangladesh. So, everyone will have a reasonable size, scope, and scale to play with. Only the best customer experience creators will win the market, and hence, we are highly focused on enhancing the customer experience.

Here, a customised banking product will be launched by Dhaka Bank and Happi that will be different from everyone else's in the market in terms of features and services. If you consider MFS providers, then they have limited scopes for lending because they do not own a balance sheet and they have some limitations in customer segmentation, which is why they cannot lend to everyone. Therefore, the savings options in MFSs are not that lucrative for our targeted customers because they offer an average return.

In our case, Dhaka Bank and Happi are innovating jointly in the lending and savings spaces. All the planned strategies will be rolled out over the next two years. To be clearer, ask yourself if the MFS company founders keep all their money in their own MFS wallets. The answer is negative because MFSs have some limitations where bank accounts are more versatile. Now, the comparison is clearer for our customers.

Akhlaqur Rahman Sachee: As neobanks have no physical branch network, trust issues from the clients' end may arise. How is Happi planning to address this issue?

Kazi Sazidul Hasan: Happi has partnered with Dhaka Bank and Mastercard. So, all the customers will get accounts with Dhaka Bank in their Happi app. Additionally, all customers will also get Dhaka Bank and Happi co-branded cards powered by Mastercard. Therefore, customers can visit any Dhaka Bank branch and take all other services from Dhaka Bank. All the processes of the Happi app will be supervised by Dhaka Bank based on the central bank's guidelines and instructions. So, Happi account holders will automatically get maximum security in banking under the umbrella of Dhaka Bank.

In this relationship, Happi is a technology company that is developing front-facing advanced technology, product distribution, and its own brand, which helps Dhaka Bank acquire more youth customers by staying asset light. You can see similar types of successful partnerships all around the world. For example, Chime, Monese, Timo, KOHO, Tide, One, Jupiter, Fi Money, Neo, Aspire, Neat, and so on. All these fintech companies are partnering with incumbent banks to offer customised banking services to a niche segment of customers. This kind of relationship creates a win-win situation for both organisations.

Akhlaqur Rahman Sachee: Would you kindly enlighten us about the current scale of operations at Happi? How is it approaching the market?

Kazi Sazidul Hasan: We have started piloting and have already onboarded 22 startups to offer our services after the official launch. Already, we have facilitated four startups with our services on a limited scale. By the end of May 2023, we are planning to launch the Happi app officially, which will provide a top-notch banking experience for our customers.

Akhlaqur Rahman Sachee: Do you think there is adequate policy support for the tech-based financial service providers to boom?

What are the areas in which changes are needed?

Kazi Sazidul Hasan: I have seen a huge enthusiasm from the central bank, the government, and the ICT ministry to inspire the innovators in the fintech space to bring financial inclusion and build a cashless society. Recently, we have seen that the government and the central bank have launched Binimoy, an interoperable digital transaction platform, to make the transactional ecosystem more flexible. We are hopeful that our policymakers will keep being innovation-friendly and facilitating resources for innovators in the fintech space.

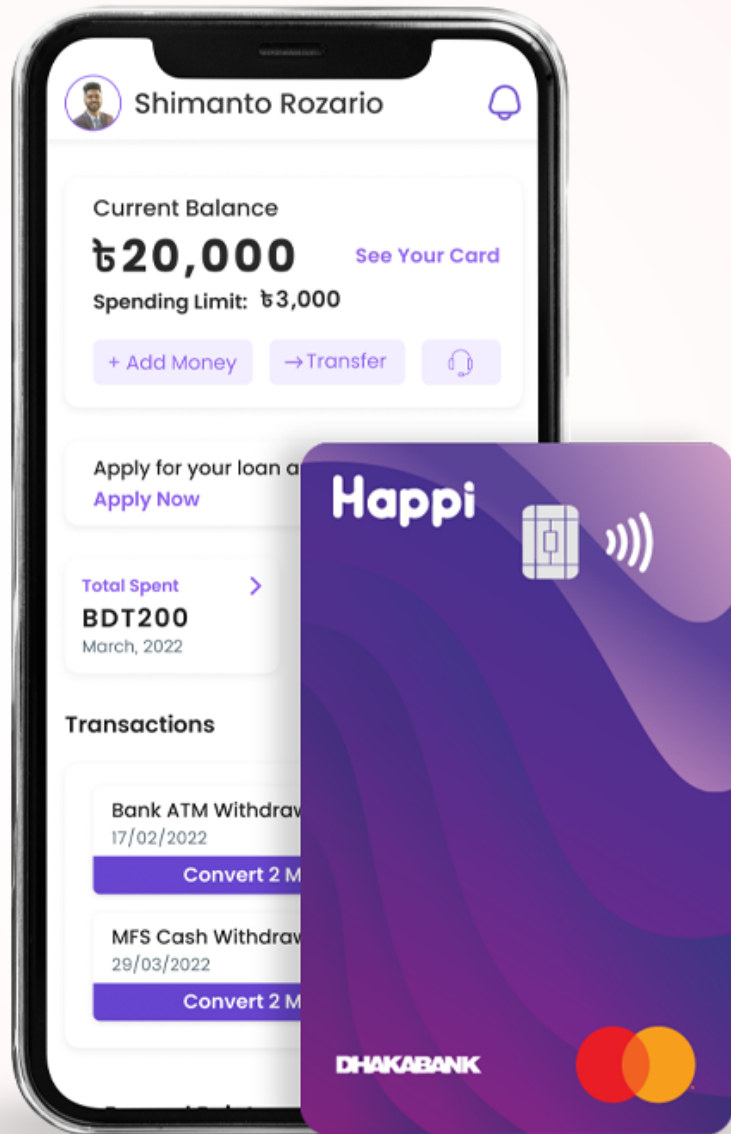
Akhlaqur Rahman Sachee: May we know about the rounds of funding Happi has raised so far? When is it going to raise the next round of funding?

Kazi Sazidul Hasan: Previously, we raised a pre-seed round of USD 120,000 from foreign angels, F10 Fintech Incubator Singapore, and ZAH Investments Limited (UK). In addition, we have also received a BDT 10 lakhs grant from the ICT ministry of Bangladesh under their iDEA project.

Currently, we are raising USD 500,000 as part of our pre-seed round extension and have received commitments of a certain amount from existing investors and a foreign fintech company.

Akhlaqur Rahman Sachee: What are the challenges Happi is facing in the way of smooth operations? How is it planning to mitigate them?

Kazi Sazidul Hasan: In Bangladesh, the biggest challenge is hiring talented and aspiring individuals who can take the company to the next level. However, we are in the continuous process of onboarding new talents into the team for our credit operations, tech, growth, and customer service positions.



Happi



BREAKING THE CHAINS: FINANCIAL INDEPENDENCE IS THE KEY TO WOMEN'S EMPOWERMENT

Written by
Faiza Adiba
Syed Md. Rakeen



As the world celebrates International Women's Day, it is important to continue monitoring progress in alleviating strict social and cultural constraints placed upon women. These constraints have long hindered women's empowerment and financial independence. The fact that organisations and governments are far from eradicating gender inequality despite numerous initiatives over the years speaks volumes about the long-standing deprivation of women's gender rights. Among the various key areas of empowerment for women, financial independence stands out as a crucial component that opens doors to women's empowerment. Being financially independent allows individuals to take control of their lives and make choices that align with their goals and aspirations. Financially independent women are empowered to pursue their interests, make informed decisions, and create better futures for themselves and their families.

Increasing the participation of women in the workforce can enhance countries from a socio-economic perspective. According to a McKinsey Global Institute report, the global Gross Domestic Product (GDP) can experience a mammoth rise of USD 12 trillion by 2025 through the narrowing of gender disparities and the strengthening of women's economic empowerment. Additionally, ensuring gender equality and women's empowerment fall under the 17 Sustainable Development Goals (SDGs) of the United Nations (UN), further necessitating the importance of bridging the gender gap. On the Gender Inequality Index (GII) of 2021, Bangladesh ranked 131st out of 170 countries, falling behind its South Asian peers barring Pakistan. In order to tackle this imbalance, numerous prominent organisations have made it a priority to promote gender diversity and inclusion in their workforces. They have implemented various measures to support women in the workplace, such as introducing flexible work arrangements, providing mentoring and training programmes, and creating inclusive company cultures. For instance, some companies have established employee resource groups for women, which offer networking opportunities and career development resources. Others have instituted policies that promote work-life balance, such as paid maternal and parental leaves and remote work options, to help women manage their personal and professional responsibilities more effectively. These efforts are aimed at creating

more equitable and inclusive workplaces where women can thrive and reach their full potential.

The government is playing a pivotal role in empowering women, especially in education, where the literacy rate of women has increased significantly in the last decade. The National Women Development Policy was established in 2011 to ensure women's advancement and rights in all sectors of the country. Additionally, the Domestic Violence Prevention and Protection Act was enacted in 2010 to reduce violence against women. However, domestic violence continues to be a prevalent issue, as the law's efficacy in combating it has not been fully realised. A research study by Action Aid Bangladesh and Jatiyo Nari Nirjaton Protirodh Forum reported that the undisclosed incidents stood at a staggering 72%, while the conviction rates were astonishingly as low as 3.1% as of 2018. Albeit the empowerment of women is gaining traction to a small extent in Bangladesh, with some organisations leading the way, there's still a long road ahead to achieve gender parity.

Barriers to Financial Independence for Women

According to the Time Use Survey 2021 by the Bangladesh Bureau of Statistics, women spend eight times as much time as men on domestic and caregiving tasks. The report reveals that while men allocate approximately 1.6 hours per day to these activities, women spend an average of 11.7 hours, which amounts to almost half of their day. Unfortunately, caregiving tasks are still not recognised as productive labour, and women's contributions in this area remain unpaid.

Throughout history, women have faced unequal access to opportunities compared to men. Even when women have worked outside the home, they have often been paid less than their male counterparts and have had fewer opportunities for career advancement. This has left many women with little savings or investments for the future, making them more vulnerable to financial instability.

While the concept of women's empowerment and financial independence is gaining momentum in urban areas of Bangladesh, progress towards enhancing women's empowerment is slower in rural areas. Since a majority of women live in underdeveloped

or undeveloped areas, efforts to promote women's empowerment have lagged behind compared to urban areas. It is essential to prioritise the needs of rural women to ensure they receive the same opportunities and benefits as their urban counterparts.

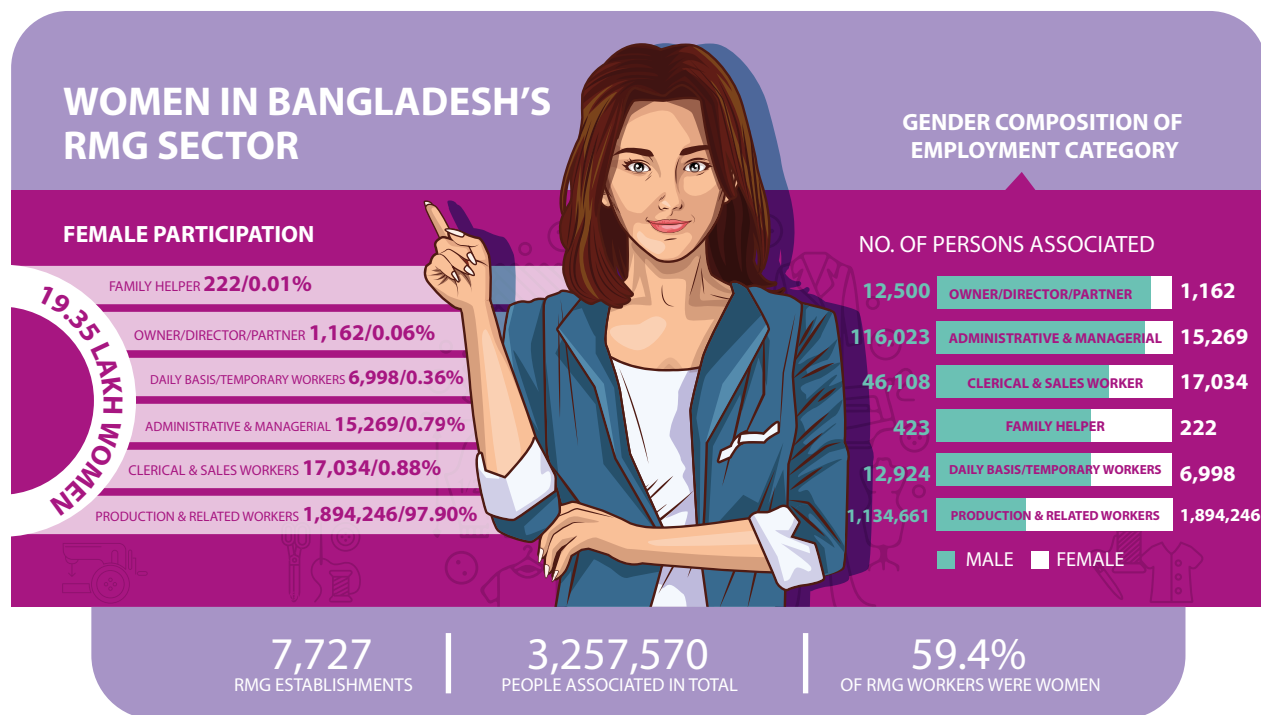
In rural areas, women are often burdened with household chores, which puts them at a severe disadvantage in terms of financial stability. They are often victims of marginalisation and discrimination in various fields, such as politics, employment, and education, and are prohibited from working or studying outside of their homes. Domestic abuse, sexual harassment, and other forms of violence deteriorate the physical and emotional health of these women as well as prevent them from participating in society. A lack of education and training facilities also affects their ability to contribute to the economy and restricts them from attaining financial independence. Additionally, access to financial services is relatively lower in rural areas, which becomes a stumbling block for many rural women looking to be financially

independent. Although the aforementioned problems are more prevalent in rural areas, women from urban areas also continue to face similar issues.

Harnessing the Economic Potential of Women in Bangladesh

The success of the Readymade Garments (RMG) sector and its crucial contribution to Bangladesh's GDP have become commonplace in every news outlet. As per the Bangladesh Bureau of Statistics, nearly 60% of the workers in the RMG sector are women. This acts as a shred of evidence of the importance of women in the advancement of this sector. However, the number of females at the management level is minimal, and this often leads to gender disparity and a poor work environment for women. Women are also actively involved in the agriculture sector, which holds the key to our country's food security. Additionally, women are now immersing themselves in sectors such as science, technology, engineering, and mathematics (STEM) and are engaging in research in the aforementioned fields.

Figure 01: Women's Footprint in the RMG Industry in Bangladesh



Source: The Business Standard

Women in Bangladesh have been making strides in climbing the corporate ladder and landing leadership roles in recent years. They have been consistently breaking barriers and challenging societal norms. Women,

nowadays, hold key positions in both the private and public sectors, including government, banking, and non-governmental organisations (NGOs). The number of women entrepreneurs has also surged in recent years,

with many women now empowering themselves to be in leadership roles. According to Meta, since the initiation of the pandemic, more than 70% of female-led businesses have been created on Facebook, coupled with a further 65% on Instagram. As a result of the pandemic, numerous women-owned businesses have flourished via online platforms, and the newly implemented digital loans by financial institutions have provided promise to this sector as well. Digital platforms have opened doors for women entrepreneurs to attain financial independence all over the country. While the female entrepreneurship rate has undoubtedly been experiencing an upturn, only 7% of the nation's 7 million entrepreneurs are women, as per the World Bank. The significance of women in the economy of Bangladesh cannot be understated at all, further emphasising that the country should accelerate the process of empowering more women to be entrepreneurs.

Promoting Financial Independence and Women's Empowerment

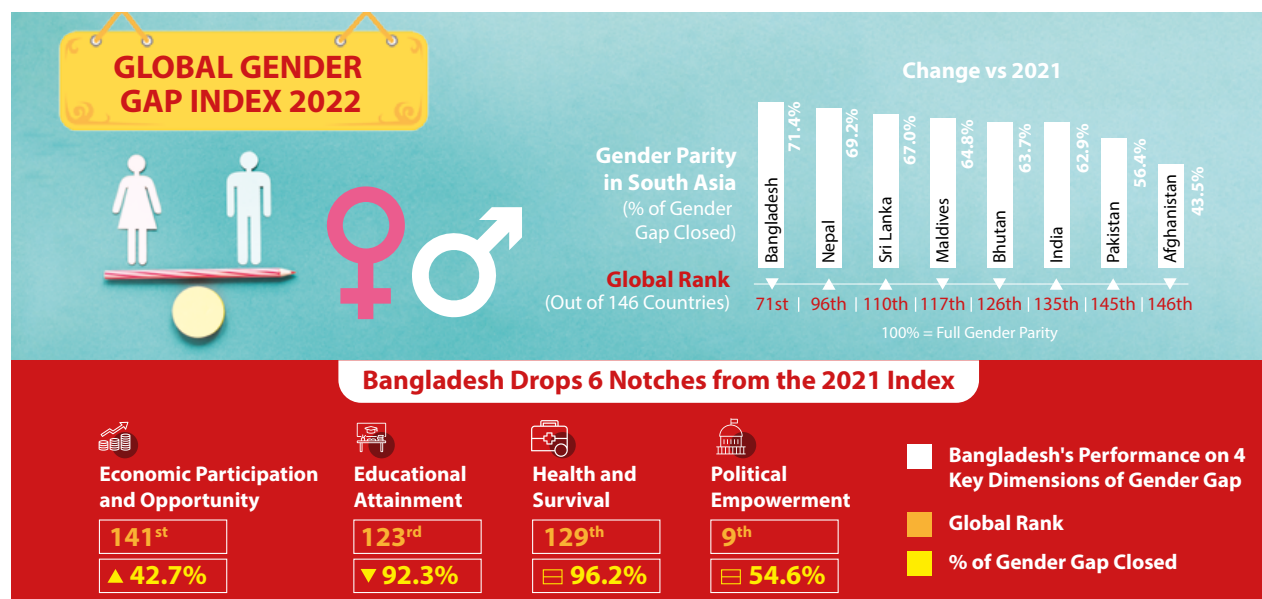
Firstly, the concerned bodies should keep a close eye on important issues like underage marriages and domestic violence in an effort to eliminate gender disparity. Secondly, legislative reform, gender-responsive social protection, the involvement of female officials in public services, quotas for women's representation, and support for women's movements should be implemented. According to an International Monetary Fund (IMF) study, having more women in leadership

positions in the corporate sector, fintech companies, and financial policymaking is linked to improved performance and profitability. Hence, more women are required to be involved in financial institutions and formulate financial policies.

As per the United Nations Development Programme (UNDP), politically empowering women can act as a key part of women's empowerment. Women are underrepresented in Bangladesh's political system, with very few ministerial positions currently held by women. Engaging the participation of young women in politics can help foster women's empowerment. A rise in women's political participation will bring about beneficial changes in politics as well as the country.

UN Women and the International Labour Organisation (ILO) are dedicated to collaborating with the government of Bangladesh to promote initiatives that address discriminatory social norms and the unequal burden of care work while building support for the adoption of macroeconomic policies to achieve gender-equitable growth. The World Economic Forum stated that Bangladesh has reduced gender disparity by a staggering 71.4%, ranking ahead of all the South Asian countries as per the Global Gender Gap Index 2022. Although the country underperformed in comparison to 2021, it is a strong indication that Bangladesh is pushing towards gender parity.

Figure 02: Position of Bangladesh among Regional Peers in Terms of Gender Gap



Source: The Business Standard

Achieving Gender Parity through Shared Responsibilities

According to The Daily Star, women devote over 25% of their daily time to unpaid care labour, while men devote just 3.3% of their time to the same activity. This indicates that women do seven times as much caring work as men do. Women's unpaid caregiving hours gradually rise with age, reaching a maximum of 6.2 hours for those between the ages of 25 and 59, after which they decline to 2.7 hours. To reduce this gender disparity in labour, men should contribute to women's financial independence by sharing family chores and providing career support for their spouses. Also, they can participate in initiatives that promote gender equality and women's economic development. Since they hold the majority of power, from family size choices to decisions concerning policies and programmes at the government level, they can support women by addressing the importance of gender parity, supporting gender equality, and eliminating harmful cultural practices and conventions. It is crucial to promote an inclusive culture that encourages women's achievement and contributes to the creation of a more fair and just world for everyone. By recognising the value of women's contributions to the economy and society and providing equal opportunities, Bangladesh can pave the way towards a more equitable and prosperous future for all.

Initiatives Undertaken by Organisations

Organisations and governments have prioritised the inclusion of women in workplaces and the economy. Several NGOs have launched projects in an effort to empower women. Microfinance is one of the key projects that continues to assist rural women with access to credit and financial services. These organisations provide women with funds who do not have access to standard banking services, microloans, or other financial services. Women have benefited from microfinance organisations by starting small enterprises, saving money, and becoming financially independent.

Similarly, local and multinational companies now recruit many female employees, and they are playing a crucial role in women's empowerment. NGOs such as BRAC and ASA have come forward and enabled the spread of financial services to rural women. They are committed to helping the survivors of gender-based abuse and promoting knowledge of women's financial rights. Relatively smaller NGOs such as Care Bangladesh, Ain o Salish Kendra (ASK), and AMAL Foundation have also led the way in promoting women's empowerment.

Banks and non-banking financial institutions have introduced new loan products in the last few years, specifically for women entrepreneurs, with the support of Bangladesh Bank. Their new initiatives will revolve around closing the gender gap and increasing women's access to financial services. Several banks have provided numerous loans, specialised credit facilities, and lending options for female small business owners and entrepreneurs. The Grameen Bank has aided millions of women in obtaining financing and launching their own businesses. To assist women in becoming more financially literate and handling their money wisely, adequate backing is provided along with sufficient financial education and training.

IDLC Finance Limited is playing its role in empowering women to achieve financial independence through a specific form of loan for women entrepreneurs named Purnota. This loan package is a comprehensive lending program catered towards women entrepreneurs in the cottage, micro, small, and medium enterprises sector. With various repayment choices and competitive interest rates, women entrepreneurs can maximise business expansion by employing this low-cost fund while receiving the loans as quickly as possible. In addition to these advantages, IDLC Purnota provides capacity-building training, networking events, and market linkage initiatives to assist women entrepreneurs in expanding their enterprises. Until 2022, IDLC Finance Limited has provided loans to more than

5,000 women and will continue to support them in their entrepreneurial journey.

Bangladesh can ultimately reach its aim of being a developed nation and offer its population a brighter future if it continues to empower women economically and socially. Financial independence is essential for the long-term financial stability of women, and this will allow them to be better equipped with a plan for the future, save for retirement, invest in their own education, and grow professionally throughout their careers. This, in turn, will translate to a lower likelihood of experiencing poverty and financial trouble in old age. The scarcity of reliable and up-to-date statistics about women in Bangladesh creates difficulties in assessing the extent of help required by women. Reliable and dedicated researchers are required to obtain the latest data in a bid to reach

out to women in need and empower them to play a role in the advancement of the country's economy. The responsibility of decreasing gender inequality and promoting women's inclusion should not only rest on the shoulders of the government, NGOs, or even financial institutions. Rather, the general public should also brace themselves to support women-led businesses and help grow their ventures. International Women's Day serves as a reminder that while women have made significant progress in Bangladesh, the country has a long way to go before reaching gender equality and gender parity.

The authors, Faiza Adiba and Syed Md. Rakeen, are working as Head of Purnota and Industry and Equity Analyst in the SME Division of IDLC Finance Limited, and they can be reached at faiza@idlc.com and rakeen@idlc.com, respectively.





Esrat Karim

Founder and Director, AMAL Foundation

Interviewed by
Syed Md. Rakeen, Team MBR

Esrat Karim is the founder and director of the AMAL Foundation and has been an advocate for social reform and women's empowerment since before her foundation was established in 2014. As a result of her work in education, emergency response, health, and women's empowerment, she was honoured by Forbes in 2020 as one of Asia's top 30 under 30 social entrepreneurs. She completed her bachelor's degree in finance from the University of Dhaka and her master's degree in social entrepreneurship from the University of Colorado. As an Acumen Fellow, she is running skill centres for women in different remote areas of Bangladesh. Team MBR was in a conversation with Ms. Esrat Karim and was fortunate enough to receive her take on women's empowerment.

Syed Md. Rakeen: Women are doing well and getting to the top in every field these days, including IT, banking, RMG, and so on. What factors do you think are fueling this empowerment?

Esrat Karim: There are many factors that are fueling women's empowerment, but the right to education is one of the most important means of empowering women because it enriches them with knowledge, skills, and self-confidence. It helps them respond to opportunities to challenge their status quo and change their life circumstances. Besides, it increases their confidence, which eventually helps them take on leadership roles.

Syed Md. Rakeen: Though some communities still view women's empowerment as taboo, the views of most people towards women's empowerment have changed a lot, and family members of working women are now more supportive than ever. What can be done to bring everyone under the same umbrella

and ensure everyone's support for women's empowerment?

Esrat Karim: I believe that the mentality must shift. Most of the time, women are regarded as a burden rather than a valuable asset. Every woman is capable of leading a country. They have the strength. They just require mental support from their family, friends, and others around them. Only a positive mindset and attitude can bring everyone under the same umbrella. It will also guarantee that women's empowerment is supported.

Syed Md. Rakeen: According to World Bank estimates, the female labour participation rate in Bangladesh as of 2021 is 35%, while the male labour participation rate is 79%. Why do you think women are lagging far behind men in terms of labour force participation?

Esrat Karim: Women's low labour participation is one of the primary reasons why women are denied the opportunity to be empowered. Women in developed

countries are travelling to the moon in the twenty-first century, yet women in our nation are not even obtaining a living wage. Every day, they must battle for a harassment-free workplace. They tend to be more anxious. They do not enjoy prospects for progress, and they suffer a lack of flexibility and work stability. In addition, women are lagging behind because of less support from their families and surroundings.

Syed Md. Rakeen: A report that came out recently in a well-known Bangladeshi newspaper said that a 10% rise in the number of women working could boost economic growth by 3.1%. What specific initiatives can be taken to promote women's employment in Bangladesh so that the country can enjoy enhanced economic growth?

Esrat Karim: We need to implement good practises for increasing women's contribution to the nation's formal economy through advancing women's economic empowerment using multiple channels, such as removing constricting gender norms and stereotypes, removing structural barriers to women's productive economic participation, creating institutional mechanisms to help young women plan their childcare, and so on. Besides, encouraging and educating female students on the significance of financial independence is also important.

Syed Md. Rakeen: Nearly 12.7% of female employees experience sexual harassment at work, according to a study by Karmojibi Nari and CARE Bangladesh. What measures can be undertaken, in your opinion, to ensure safety for women in the workplace?

Esrat Karim: The workplace for women should be made safe by organisations. Any action that threatens women's physical and mental safety should be viewed as unacceptable. Even verbal abuse needs to be taken into account. Strong action must be taken to stop any harassment of women. A zero-tolerance policy should be implemented by organisations to prevent the harassment of women. Firms/organisations must act immediately if a female employee is being harassed. Also, this would raise awareness of the situation, particularly among female employees. Before moving on to a higher level, it might assist them in raising their voice against these unjust practises. Besides, the male colleagues should form support committees and groups to support their female colleagues.

Syed Md. Rakeen: Do you think that women are enjoying equal employment opportunities in Bangladesh? What policies can policymakers implement to ensure that organisations provide equal employment opportunities to women?

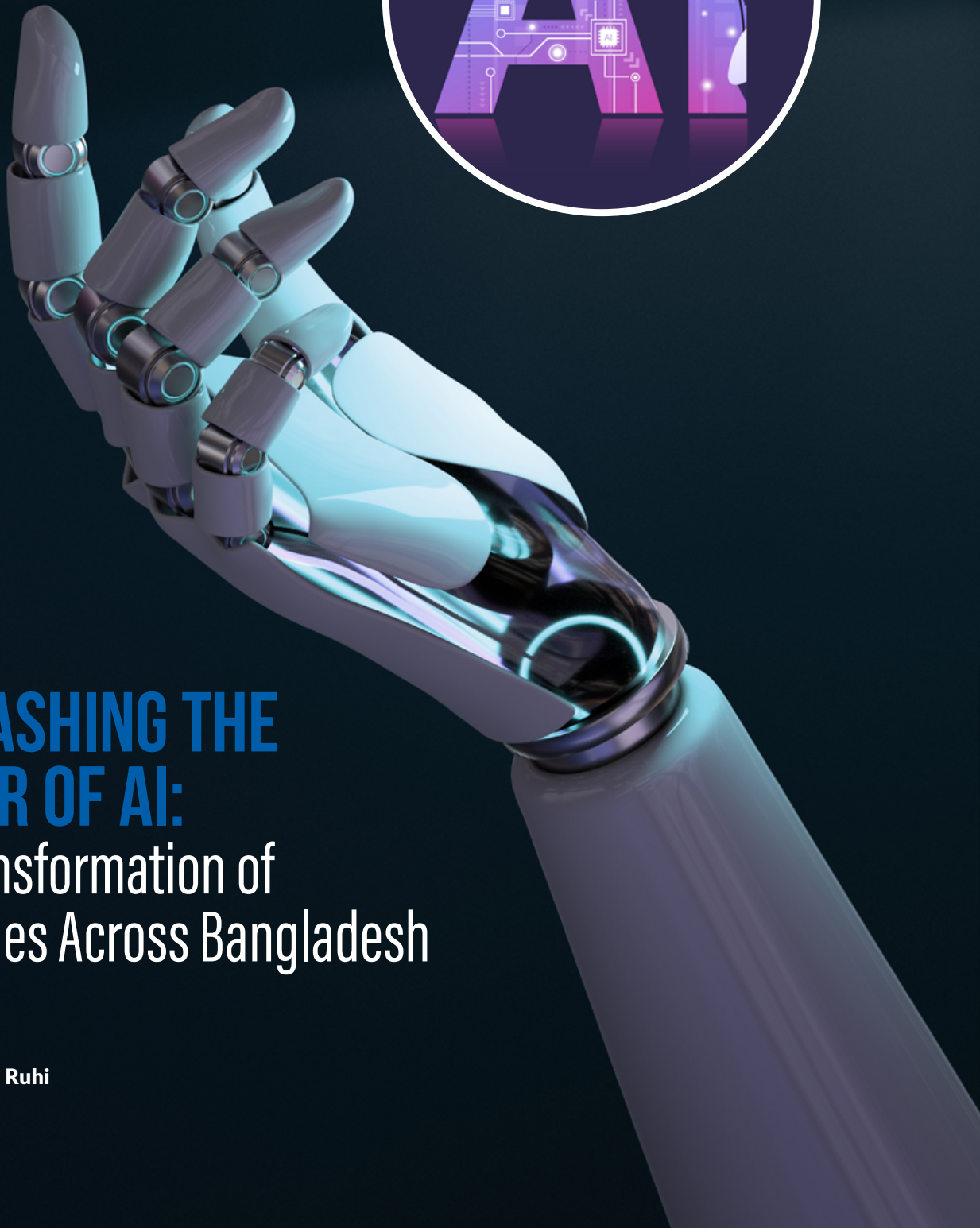
Esrat Karim: Well, Bangladesh leads all of Asia in terms of the percentage of women who work. This contradicts the fact that there is a steadily growing gender gap in economic activities. They do not have equal access to opportunities. Every organisation should uphold a gender equality policy that ensures both men and women receive an equitable share of opportunities.

Syed Md. Rakeen: Do you think that financial independence alone can empower women? If not, what other issues should be addressed to create a conducive environment for women's empowerment?

Esrat Karim: Financial independence is significant, of course. In addition, other issues like the authority of household decision-making, access to credit, participation, knowledge, and awareness, raising voices, freedom, mobility, respect, economic participation, and developing leadership skills need to be addressed in order to create an environment for women's empowerment.

Syed Md. Rakeen: Women desperately need to break free from their shackles. What are your suggestions for women who want to empower themselves and move forward?

Esrat Karim: I would suggest all young women move forward no matter what comes in front of them. Be confident, take on leadership roles, and give your best. Most of the time, our silence becomes the main villain in our lives. We have to break that shackle. We must stand up for ourselves, whether it is for fair wages, against any kind of harassment, or to make a strong place in the workplace/educational institution. We are the key to our success, and we have to own our rights.



UNLEASHING THE POWER OF AI:

The Transformation of Industries Across Bangladesh

Written by
Tasnimul Hasan Ruhi

The concept of Artificial Intelligence (AI) has been around since the turn of the 20th century. It all started with the famous science fiction character ‘Tin Man’ from the Wizard of Oz and the humanoid robot that played Maria in Metropolis. Then came Alan Turing with the revolutionary argument that if human beings solve issues and make choices using available knowledge and reason, robots should also be able to do the same. Thus, after continuous strides from visionary minds, artificial intelligence has seen tantamount progress.

The term artificial intelligence refers to a machine’s ability to do things that humans do, like reason, see, learn, think, and lead. With the amazing progress that has been made in collecting, managing, and calculating information, smart frameworks can now be used to take care of a wide range of tasks, improve networks, and increase profitability. Now, in the big data era, we have the ability to gather enormous amounts of data that would otherwise be difficult for a human to comprehend. In this aspect, the use of artificial

intelligence has already been highly successful across a number of sectors, including technology, finance, marketing, and entertainment.

According to Grand View Research, the worldwide market for artificial intelligence was estimated to be worth USD 136.55 billion in 2022, and the CAGR is predicted to be 37.3% during 2023–2030. Even the smartphones that we carry with us use AI to answer different questions and complete tasks. Moreover, the recent development of AI-powered applications such as ChatGPT and Bard has made us realise the huge potential that machines hold to solve a lot of problems that people face every day. Just over a quarter of firms have artificial intelligence systems in place, while more than 91% of the world’s most successful companies are investing in AI research and development, according to a report published on Zippia. These advances will capture considerable advantages throughout the value chain, with cost reductions arising from more accurate demand forecasting and personalised and targeted user experiences.

Figure 01: Potential Impacts of AI



Source: PwC

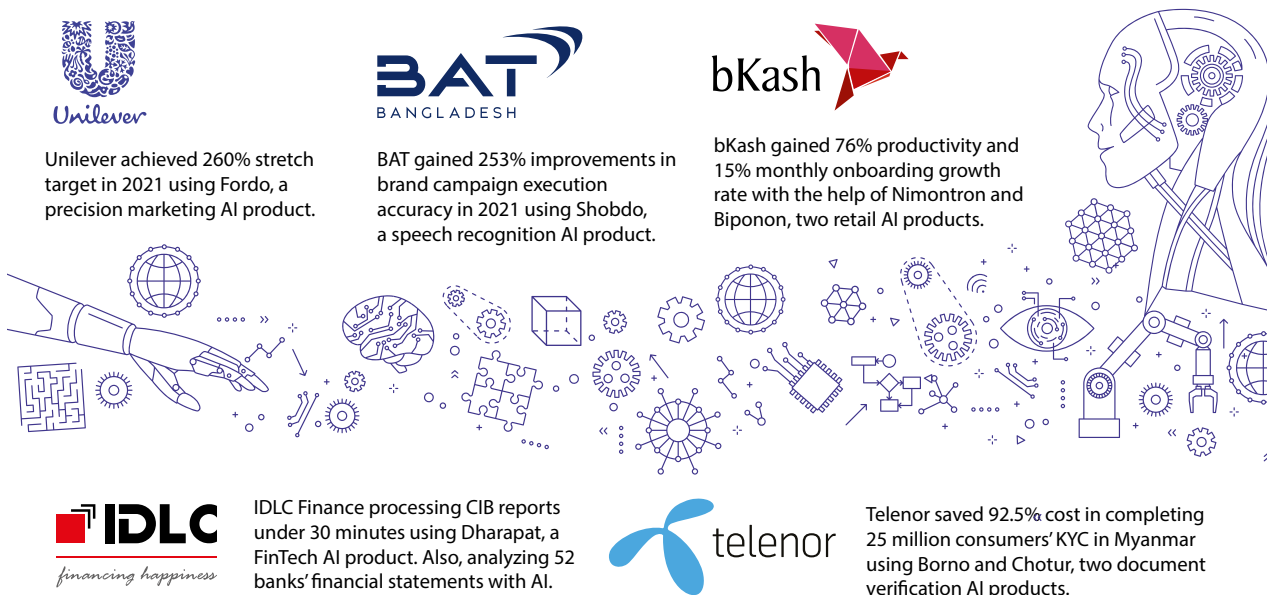
Our Industry and Artificial Intelligence

The technological development of Bangladesh has taken giant leaps in the last decade. In 2008, the whole ICT export market in Bangladesh was only about USD 26 million. As of March 2020, it was worth roughly USD 1 billion, according to the ICT Division of the Government of the People's Republic of Bangladesh. Bangladesh made significant investments in infrastructure throughout the country, including 12 IT training and incubation centers, 16 hi-tech parks, and 7 technology parks. The growth in mobile phone usage, internet accessibility, ICT export revenues, ICT training, and openness of the government have made Bangladesh an emerging nation for outsourcing. All these have turned the country into a good prospect for the Fourth Industrial Revolution (4IR). Digital technologies and their management are a major focus of the 4IR, and they will change how we experience technology, recognise the economy, use services, and

carry out our responsibilities. Fortunately, the use of AI is a huge aspect of 4IR, as it uses the available data to make relevant decisions. Bangladesh will become the most advanced nation in South Asia if it can successfully implement artificial intelligence in research, industry, agriculture, and the health sector.

Bangladesh has seen a rise in the use of AI in various industries within the country. Already, companies are integrating AI into their decision-making, and many startups have been founded on the concept of AI and machine learning. By leveraging the power of AI, businesses can increase their efficiency and productivity while also reducing costs. This has allowed for the emergence of a range of AI-powered solutions for different segments, including agriculture, healthcare, smart transportation, and urban development. With the increasing deployment of AI across multiple sectors, Bangladesh is gradually becoming a hub of innovation and progress in this rapidly growing field.

Figure 02: Successful Implementation of AI in Different Companies



Source: Intelligent Machines

Transforming Manufacturing Processes using AI

Artificial intelligence is rapidly transforming the manufacturing industry worldwide, ushering in new

opportunities and challenges. With the third industrial revolution, automated machines entered manufacturing plants. These enabled factories to produce hundreds and thousands of units, which would have taken months for human workers. With the implementation

of AI in these plants, efficiency would increase along with consistency and quality. According to PwC, local economies will gain up to 26% from AI by the year 2030. In Bangladesh, AI technology is playing a pivotal role in improving production processes and reducing labour costs. Companies across multiple sectors, such as metals, chemicals, and textiles, are leveraging AI-driven solutions to further enhance their efficiency, quality, and consistency. AI technology has enabled businesses to reduce costs, automate processes, and develop smarter solutions. Especially with technologies like predictive maintenance, smart quality control, human-robot collaboration, generative product design, optimised supply chains, and digitalised customer service, they can massively change the manufacturing sector for the better. The number of human touchpoints would be reduced to a minimum, creating a fully automated ecosystem with maximum efficiency. The widespread adoption of AI-powered automation solutions will surely lead to an increased demand for skilled professionals in the manufacturing sector. With its continued advancements, AI promises a brighter and more efficient future for the manufacturing industry in Bangladesh.

Revolutionising Education and Skill Development through AI

AI has the potential to revolutionise education and skill development in a variety of ways. It can help improve access to educational materials, provide students with personalised learning experiences, evaluate student progress in real-time, and enable instructors to better understand student learning patterns. For example, IBM Watson was used to creating an educational game called Watson Adventures, which students can play to learn more about the world around them. Watson was also used to develop an AI-powered virtual tutor for language learning. AI can also be used to automate certain components of the educational process, such as grading exams or providing feedback on assignments. Furthermore, AI can be used to develop new skills, such as language learning, coding, and software development. AI can also be used to provide advanced skills training and assessment to workers, allowing them to keep up with the changing demands of the job market.

OpenAI's ChatGPT is a revolutionary model that is being used by learners from all fields to sharpen their

skills. It uses conversational artificial intelligence to understand text-based conversations, allowing it to be used in the development of interactive chatbots that can provide personalised guidance and advice. ChatGPT reportedly attracted a million users in only five days following its introduction in November 2022, according to Statista. As AI technology continues to advance, ChatGPT provides an invaluable tool to help people develop their knowledge and skills.

AI for Smart Mobility and Transportation

The availability of data on people is limitless nowadays. With the launch of satellites and us carrying smartphones all the time, locational data are not hard to gather. With a geographic information system, organisations can map, analyse, and communicate data in the context of geography. The use of AI in these processes is substantial. Uses of AI in China's transportation sector go beyond individual cars to involve interconnection across cities and potentially the entire country. In contrast to human judgment, AI is based on massive data, and by improving the algorithm, AI technology in transportation might be much more accurate with a lower mistake rate.

Bangladesh has unlimited potential in utilising intelligent software to maintain the traffic, as urban congestion is one of the most hampering phenomena, consuming both the time and energy of the residents. There are several challenges in this field, but they may be overcome by applying AI data analysis to the roads, cars, weather, infrastructure, drivers, speed limits, turns, and speed breakers.

Leveraging AI for Insights in the Financial Markets

AI has the potential to revolutionise finance and trade by providing more accurate, faster, and cheaper services for businesses and investors. For example, AI can be used to automate certain manual processes, such as bookkeeping and accounting, which can improve accuracy and reduce costs. AI can also be used to make better-informed trading decisions by analysing large amounts of data in real-time and providing automated signals based on market conditions. AI can detect outliers and analyse huge datasets to make informed

decisions, which will reduce the cost of performing financial services significantly. In fact, finance is one of the fields where AI was deployed for the first time.

With rapid digitalisation, banks and non-bank financial institutions in Bangladesh have shifted to working on computers and maintaining massive databases. They have switched to online portals for performing their regular transactions and business activities. These can be further improved by bringing AI into the equation in specific situations, such as cash counting, vault administration, data centre management, and KYC assessment. AI-based solutions are being used to improve the accuracy of credit management systems and fraud detection and prevention, as well as to enable faster and more accurate credit decisions to reduce risk in the loan sanction process. AI-based risk management solutions are also being developed to better predict risks and manage them effectively. Additionally, AI is being used to enhance banking services by providing personalised solutions and virtual customer support assistance. Shell banking monitoring is another area where AI can be used to detect suspicious activities and identify financial irregularities. Finally, predictive and personalised insurance solutions can be created using AI to provide customers with tailored products and services.

Application of AI in Medical Science

Bangladesh's healthcare business has traditionally struggled to provide high-quality services because of

issues such as inadequate funding and staffing levels. In order to promote efficiency and consistency, there is a need for medical science to step up in the digital frontier and shift from antiquated methods. The most prevalent non-communicable illnesses, such as diabetes, heart attacks, hypertension, and liver ailments, affect the people of Bangladesh. The World Health Organization estimates that there are only 6.7 doctors for every 10,000 people in Bangladesh. AI can be useful in this regard.

Even though the prospects of AI seem limitless, there are burning concerns among the masses about losing jobs to machines and the impact this will have on the human race. But it is a matter of hope that robots and AI will generate more employment than they will eliminate. AI and associated technologies will enhance economic development more than ever before and provide a large number of new employment possibilities. While the idea of AI has been around for a decade, full-fledged impacts have not been realised, and results have not yet materialised. If we want to maintain sustainability and persistent advancement in business ecosystems and social environments, AI technologies will inevitably bring about numerous opportunities. It will increase the gross domestic product, and Bangladesh will serve as a role model and trendsetter for emerging countries by setting standards through ongoing innovation.





Mohammad Oli Ahad

Founder and CEO, Intelligent Machines

Interviewed By
Syed Md. Rakeen, Team MBR

Mohammad Oli Ahad is the founder and CEO of Intelligent Machines, which builds AI products to help clients reach their organisational goals and objectives. After graduating from the Institute of Business Administration, University of Dhaka, he started working for British American Tobacco, where he led global and regional projects for 25 countries. He also worked for Grameenphone, Holcim, and the International Fund for Agricultural Development (a specialised UN agency). Team MBR was in a conversation with Mr. Mohammad Oli Ahad and was fortunate enough to receive his take on the prospects of AI in Bangladesh.

Syed Md. Rakeen: Some of the businesses in Bangladesh have already been able to automate certain operations, save costs, and enhance efficiency owing to the successful implementation of Artificial Intelligence (AI) technology. Would you kindly share your views with us regarding the extent to which Bangladeshi firms have explored the potential of AI?

Mohammad Oli Ahad: In recent years, a handful of forward-thinking Bangladeshi companies have started successfully implementing AI, with great results. bKash has gained 288% more productivity in serving 680,000 outlets with only 1,400 merchandisers. Unilever has been able to reach more than 10% of their target results for their brand campaigns in scope using fewer resources than they used to spend to reach only 1% previously. IDLC Finance has been using AI to verify and analyse bank statements as well as the central bank's CIB reports and calculate customers' credit scores, bringing down the processing time from days to minutes. A globally leading consumer goods

manufacturer is piloting AI to optimise their spare parts' replacements and also working to prevent counterfeit products with AI.

What is greatly encouraging is that these and other Bangladeshi firms' adoptions of AI are in diverse industries and serve a wide spectrum of important functional purposes. However, decision makers at most organisations still tend to shy away from undertaking AI projects, considering this a highly specialised category and feeling inadequately prepared.

This is more of a behavioural factor than anything to do with the technology. The key to successful projects is the ability to ask the right questions and a deep understanding of the business. Winning organisations already possess these key ingredients to solve their high-value problems with AI, but they will need to overcome their hesitations. A way to do that could be to know more about the processes and risks of AI projects.

Syed Md. Rakeen: The Fourth Industrial Revolution (4IR) will definitely change the

way most of Bangladesh's industries work. What key initiatives do you suggest to make Bangladesh prepared to exploit the bright sides of 4IR?

Mohammad Oli Ahad: 4IR adoptions are still disproportionately concentrated on a small section of the world, and a new form of inequality is developing right now, which is greatly alarming. We recommend three immediate sets of actions. Firstly, encouraging and facilitating Bangladeshi firms to identify scopes and start adopting 4IR technologies without further delays. Secondly, building the desired skills immediately on a large scale. For instance, we believe that Bangladesh can produce 2,000 highly capable AI engineers in the next two years without any major trouble and can become a defining force globally in this regard. Finally, establishing specific goals and ensuring that progress is measured and tracked again, without any delay.

The truth is we need to do this not to 'exploit the bright sides', but to ensure we are not on the way to becoming the new age's devastated batch of economic colonies by rapidly progressing developed markets. This race is quickly becoming like what we have come to see in the Olympics. Only a handful of countries will continue to dominate the leaderboard, while the rest of the countries will only play futile catch-up. We must act immediately.

Syed Md. Rakeen: A report published by the International Monetary Fund (IMF) in 2022 stated that around 60% of the labour force in Bangladesh is employed in industries that are at high risk of automation. What are the key skills individuals need to acquire to prevent becoming obsolete in the job market?

Mohammad Oli Ahad: The first set of skills we will highly recommend are behavioural. They are building self-awareness, developing a constant learning habit, and growing a resolute drive for results.

The second set is technical skill, which also comprises three elements. They are,

(i) Solid grasps of key concepts in any of the core STEM branches, such as statistics, physics, et al. A reassuring fact is that while the 'top layers of application knowledge' like ChatGPT, TensorFlow, or PyTorch would likely be replaced every few years (the next batch of architectures will always be in the cooking!), core functional knowledge is likely to remain useful at least for the next two to three decades.

(ii) Time-relevant practical technology skills such as continuous improvement and continuous development (CI/CD), event streaming like PubSub and as such, not just basic coding. What is it that companies need now to deploy advanced technologies consistently and at scale? Those skills.

(iii) And differentiating skills in the liberal arts such as experience engineering, design thinking, et al.

It is important to realise that we cannot now plan to catch up by learning past decades' skills that we have missed (such as basic coding) to aim to outsmart rapidly progressing developed economies that are constantly working at the frontier technologies of tomorrow.

And the third set would be developing deep domain expertise. No amount of technology skillsets would be of much use if we did not understand the business and market really well. Deep expertise in finance, consumer behaviour, et al., would be just as crucial.

While developing these skillsets, we will also need to plan to support those who would be adversely affected on a large scale and may not be in a position to support themselves and their dependents for near to mid-term time periods. Otherwise, we run a great risk of grave-scale human catastrophes. Large demographics will face questions of sustenance and might fall far behind.

Syed Md. Rakeen: According to the CISCO Digital Readiness Index 2021, Bangladesh was ranked 109th out of 146 countries, behind its South Asian neighbours India,

Nepal, and Sri Lanka. What measures can the government take to reduce the gap with its neighbours?

Mohammad Oli Ahad: The two areas that could get us maximum results in a reasonable timeframe are also very challenging, as they entail great political willpower.

(i) **Building and Fixing the Technology Infrastructure:** We keep seeing reports that our telecom and internet bandwidth are the most expensive both globally and regionally. We must choose to fix these and other infrastructure issues if we want to move up in this area.

For instance, we do not have supercomputer infrastructure for tech teams. As of now, teams in Bangladesh need to rent supercomputers from abroad at exorbitant rates, with a markup of more than 300%. Without supercomputing capabilities, how would we develop and run AI solutions? In our country, we have been focusing only on primary cloud storage to date, not on the computational capabilities. This will forever remain a far-fetched game without the required capabilities.

(ii) **Establishing Accountability at All Levels of Government and Private Organisations, Including Law Enforcement and the Judiciary:** No matter what we do, if we cannot bring in the required accountability (i.e., where one can expect the due services without any undue expectations by the operating agencies), it will remain one of those arithmetic problems where you have one faucet to fill a bucket with three holes in it.

So, at the end, it boils down to long-term willpower to bring in the desired changes, which is a very, very uphill climb, no doubt.

Syed Md. Rakeen: Experts suggest that investments in AI can generate up to a tenfold return. Would you kindly share with us the challenges Bangladeshi firms may face while implementing AI? What strategies can they follow to maximise their return on investment (ROI) with the help of AI?

Mohammad Oli Ahad: In our calculation, we see not a tenfold return but a staggering 32-fold return. Bangladeshi companies that have successfully implemented AI for their high-value problems gained at least 32 dollars within the first six months for every dollar spent on AI projects.

The challenge? The irrational fear of decision-makers to undertake AI projects. Most are going through a hesitant period, unsure of their own capabilities to manage AI projects successfully. As a result, they continue to perceive the risks of failure as being higher than the missed opportunities, which cannot be farther from the truth!

The truth is that capable managers possess the key ingredients to apply AI successfully to their high-value problems, and it is their deep understanding of the business and their capability to guide the AI engineers by consistently asking the right questions that make this possible.

A winning strategy could be to divide AI projects into four phases: feasibility (3 weeks, generally complimentary), POC (2-4 months at a cost of USD 8,000-18,000 where they will get the AI model), an optional phase of pilot (2-3 months at a cost of USD 3,000-4,000 where they will get live results for the AI model), and planning for the go-live in 1 month with a budget of USD 3,000 per month. This is for a high-value, single-task, complex AI model.

We believe organisations could begin by forming a spearhead team with the right mindset. This team will meet with tech teams and talk with other enterprises that have already applied AI in Bangladesh. Armed with this knowledge, this team would then select one high-value problem for the organisation and present a plan to the management team within two weeks of its formation.

The organisations will need to ensure they have all four key elements of a successful technology project: a budget of USD 10,000-25,000, timeline of one to three quarters, and authority to approve the project.

Syed Md. Rakeen: ChatGPT has taken the world by storm, gaining 1 million users in less than a week since its launch. What impact can Natural Language Processing (NLP) models like ChatGPT have on businesses in Bangladesh?

Mohammad Oli Ahad: Plenty if the business models could fit right. But first, we will have to be aware of two things. Firstly, ChatGPT's sole service is finding the next right word from its base data, and that is it. So, we will likely need additional work to ensure it provides consistent, safe, and compliant responses. And, secondly, ChatGPT or any other large language model would also incur computation costs. So, it would only be feasible if the cost justified high-value use cases where such digital agents could provide good value.

Early targets could be agent-based services such as bank tellers; bus, train, and other ticketing services; healthcare operators to book appointments and tests and share the results; call centres; and personal assistants in a wide scope. Also, execution jobs that could be wholesomely based on previous records, such as those of content creators, legal and secretarial assistants, social media listening tools for managing brand perceptions, et al.

Syed Md. Rakeen: To ensure a smooth transition to an AI-driven economy, the educational curriculum at every level in Bangladesh is required to be redesigned. What are some of the steps you think can help students equip themselves with the necessary skills for tomorrow?

Mohammad Oli Ahad: We already have a good understanding of this roadmap.

Firstly, we need to begin by enlightening students on the different roles in AI. To illustrate, consider healthcare or many engineering fields. There are many professional roles in these fields: surgeons, nurses, diagnosticians, pathologists, et al., and we generally know which path to follow to gain

the key skills in these fields. As of now, students largely do not have such clear ideas about AI or data science. Such as, what are the different roles in AI? What strengths do they bring in, and what purposes do they serve?

Next, we need to share what would be required to perform at a high level in those specific roles. What would be required for a level-2 AI engineer's role, and in level-3? Or, what would be required for a level-2 data scientist's role?

And, then, we will need to provide them with a large real-life dataset to practise their skills. Similar to how doctors practise during their internships at medical colleges dealing with real-life patients, we will need to provide them with an opportunity to practise their skills. Otherwise, learning only with online resources may not help develop the deep expertise that will be needed.

Finally, we will need to provide them with an arrangement to continuously assess and track their progress.

Syed Md. Rakeen: The mass implementation of AI carries the risk of it being used for unethical purposes. What ethical aspects should be taken into consideration while implementing AI, and what measures should be in place to prevent unethical practises?

Mohammad Oli Ahad: This is a high-impact risk with a high likelihood. It is very real. We will need to start holding technology companies accountable for their actions' impacts. They cannot be allowed to make large sums of money without taking any responsibility for the way their tools are being used.

So, we will need our legislators to be aware of and educated about these impacts in the hope they will enact the legislation. We will also need third-party auditors to run routine assessments and share public reports. We must also discuss this with our children, both at home and at school.

IDLC Finance Olympiad 3.0 Ends with an Exciting Gala Round



The country's largest online finance competition, 'IDLC Finance Olympiad 3.0,' ended on February 24, 2023, with a grand gala event. The program's final round took place at the Krishibid Institution Bangladesh (KIB) Complex in Dhaka.

IDLC Finance Limited, in association with 10 Minute School, organised the country's largest finance olympiad. More than 150,000 students, aged 16–24, from all over the country participated in the online round, which began on January 17, 2023. The offline round of the competition was organised with the top 100 candidates from the online round, and the top 10 from the offline round battled it out for the championship at the grand finale.

The winner of IDLC Finance Olympiad 3.0 won BDT 3 lakh cash prize, along with an investment fund and an internship opportunity at IDLC. The first and second

runner-ups won cash prizes of BDT 2 lakh and BDT 1 lakh, respectively. Moreover, the top 100 candidates from the online round received scholarships from 10 Minute School. Prizes were handed over to the winners by the chief guest of the event, Atiqul Islam, Mayor, Dhaka North City Corporation, and M. Jamal Uddin, CEO and Managing Director, IDLC Finance Limited.

CEO and Managing Director of IDLC Finance Limited, M. Jamal Uddin, stated, "Being the largest financial institution in the country, IDLC has always been committed to improving the youth's skills. The finance olympiad is one of them. IDLC believes that to develop financial maturity, youth need assistance. We hope, through this initiative, the young generation will be able to discover many crucial aspects of financial management, both in personal and professional life."

Shajgoj



Sinthia Sharmin Islam

Co-Founder and CCO, Shajgoj

Interviewed by
Syed Md. Rakeen, Team MBR

Shajgoj is a prominent Bangladeshi company selling beauty and personal care products, founded in 2013 by Nazmul Sheik, Sinthia Sharmin Islam, and Milky Mahmud. It sells authentic branded cosmetics, makeup items, and accessories online and through its multiple retail outlets. Shajgoj won the Daily Star ICT Startup of the Year 2021 and has recently raised Tk. 21 crore from Sequoia Capital India. Team MBR was in a conversation with Ms. Sinthia Sharmin Islam, Co-Founder and CCO, Shajgoj, to learn about her inspirations and vision behind Shajgoj.

Syed Md. Rakeen: Since being launched in 2013, Shajgoj has rapidly established itself as one of Bangladesh's most reliable brands for beauty and personal care products. Which factors do you think have contributed to the outstanding growth of Shajgoj?

Sinthia Sharmin Islam: Shajgoj's success can be attributed to a combination of factors, including the growing demand for beauty and personal care products, easy accessibility, competitive pricing, a wide range of products, strong marketing efforts, and excellent customer service.

Since Shajgoj's inception, we have been adamant about setting an example by providing the best customer experience. Thus, Shajgoj is a customer-centric

company. We are obsessed with our customers, and they are our brand ambassadors. We work to understand our customers' pain and find solutions for them.

Syed Md. Rakeen: It has been observed that women are more beauty-conscious these days, which has increased the number of websites and Facebook pages selling beauty and personal care products. Would you kindly share with us how Shajgoj is differentiating itself from others?



Sinthia Sharmin Islam: Shajgoj is thriving because of our excellent brand commitment and the relationships that we have managed to build with beauty enthusiasts over the years. In Shajgoj, we know that commitment and results lead to an excellent

brand that customers can trust and rely on. Thus, we are an omni-channel beauty company, and we try to provide the best after-sales service to our customers. Our strong word-of-mouth referrals are also what set us apart from the other competitors in the market. This shows the dominant loyalty our customers have for us.

We are also the leading company that provides free beauty consultations to our customers and, in return, helps them become their own beauty experts.

Syed Md. Rakeen: Customer loyalty is one of the crucial factors for long-term success. What strategies does Shajgoj follow to make its customers loyal and retain them?

Sinthia Sharmin Islam: Our customers reciprocate with their trust and purchases. We can validate this through the fact that we have 70% of return customers. Being able to provide authentic beauty and healthcare products, free one-on-one beauty consultations, and excellent after-sales services is the reason why our customers come back to us. Our customers' gratification **and love are among the top reasons for our inspiration.**

Syed Md. Rakeen: You have prior experience managing community pharmacies and beauty product stores in Nigeria. How is that experience helping you manage your venture?

Sinthia Sharmin Islam: I worked as a pharmacist in a community pharmacy in Nigeria. The time I spent there consulting the locals one-on-one about their health taught me values that helped me attain success with my company years down the line. I learned a great deal about customer service and how logical explanations can help to form trust and solve problems. For example, it is prescribed not to skip antibiotics but seldom explained why. Misuse and overuse of antibiotics can cause antibiotic-resistant problems. Breaking this down caused more awareness among the patients.

Moreover, my education helped me understand the ingredients that go into making beauty products, and my work experience abroad helped me understand how to cater to customers correctly.

Syed Md. Rakeen: Shajgoj is well-reputed in the market for the quality and authenticity of

the products being sold. How does it ensure the authenticity of the branded products it sells?

Sinthia Sharmin Islam: We have established ourselves as the most authentic one-stop beauty platform in Bangladesh. We ensure this authenticity by directly sourcing the products from the brands. Moreover, many international brands like L'Oréal, Revlon, and She have entered the Bangladeshi market through Shajgoj. This has only been possible due to our positive brand image and the trust we have established for ourselves in the market.

Syed Md. Rakeen: Customers' views towards skin care and hair care are changing. These days, the number of customers preferring organic and herbal products is increasing. How is Shajgoj addressing this changing customer behaviour?

Sinthia Sharmin Islam: Recent years have shown some prominent changes in customer preferences for beauty and healthcare products. More people are preferring organic and herbal ingredients. In Shajgoj, we acknowledge these changes and have been working to promote, advertise, and support organic brands on our platform. However, we also encourage safe chemical-based beauty brands, as it all comes down to the ingredient list and testing any product prior to using it.

Syed Md. Rakeen: You are a pharmacy graduate who later co-founded one of the country's largest stores selling beauty and personal care products. How has the journey been so far? What were the challenges you faced as a woman in being a successful entrepreneur? Would you kindly share with us how you overcame them?

Sinthia Sharmin Islam: Today, Shajgoj is the largest omni-channel beauty company in Bangladesh. The journey so far has been nothing but rewarding. The community that this company has managed to create throughout these years is something of which I am extremely proud. My fantastic team works hard to make people's lives better and healthier, and in return, we receive love, trust, and undying appreciation from our customers.

However, being a female startup entrepreneur, I had to face many obstacles to get where I am today. A lot of people did not appreciate women being on the

front line of a business in a positive light. I managed to change their perception through my hard work and determination over time. Moreover, my background in pharmacy and prior work experience have helped me become a product expert and better understand my business.

In addition to this, I have to state that, as a woman, it is difficult to get access to loans from financial institutions in this country. This is due to the lack of collateral properties passed down to women according to the laws. This has also been a challenge on my part.

Syed Md. Rakeen: Many aspiring female entrepreneurs want to follow in your footsteps. The segment in which Shajgoj operates, in particular, is one of the most appealing to young female entrepreneurs. What do you suggest for them to be successful in their positions?

Sinthia Sharmin Islam: Shajgoj boasts of being a company that empowers its people to be a better version of themselves. All these years of experience working with a diverse team of professionals and customers from all around the country helped me develop strategies that have contributed to the driving success of the company.

If I am to advise young woman entrepreneurs out there, it would be to strengthen their financial literacy and market understanding of their respective businesses. They also need to determine and analyse their product-market fit to be successful.

Another key point to remember that has helped my self-development is to have an open mind and grow through continuous learning. To add to this, if their business is B2C, they should believe that the customers are everything.



CAPITAL MARKET REVIEW

Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market closed the month of February in negative territory. During the month, the broad index DSEX went down by 0.8%. Blue chip index DS30 rose by 0.1% whereas Shariah index DSES declined by 0.5%, respectively in the month of February.

Among the regional peers, Sri Lanka reported the highest positive return of 3.6% followed by Pakistan (-0.4%) and Vietnam (-7.8%). MSCI Frontier Markets Index performance was negative by 1.2% in February. Over 5-year horizon, Sri Lanka (+40.2%) booked the most encouraging return.

Table 1: Equity market performance of Bangladesh and peer countries

Indices	Index Points, January 2023	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	6,217.0	-0.8%	-0.3%	0.2%	-7.8%	38.8%	7.1%
DS30	2,221.0	0.1%	0.3%	1.2%	-10.5%	48.8%	3.5%
DSES	1,359.7	-0.5%	-0.8%	0.1%	-6.5%	30.1%	N/A
Peer Countries							
Pakistan (KSE 100)	40,510.4	-0.4%	-1.8%	0.2%	-8.9%	6.7%	-6.3%
Sri Lanka (CSE - All Share)	9,188.5	3.6%	-7.5%	8.1%	-20.6%	64.3%	40.2%
Vietnam (VNI)	1,024.7	-7.8%	-20.0%	1.7%	-31.2%	16.2%	-8.6%
MSCI Frontier Markets Index	692.0	-1.2%	-0.8%	2.8%	-16.0%	-4.9%	-18.5%

*All returns are Holding Period Return

Source: Investing.com, MSCI, DSE

Liquidity Condition in Equity Market of Bangladesh

During February, the total market capitalization decreased by 0.3%. The daily average turnover of February was BDT 4.5 bn (USD 43.0 mn), decreasing by 10.9% from that of the last month. Turnover velocity which represents overall liquidity of the market stood at 13.6% in February compared to 18.4% of last month. In 2022, turnover velocity of Bangladesh equity market was 30.7%, in comparison to 65.3% in 2021.

Table 2: Market capitalization and turnover statistics

Particulars	28-Feb-23	31-Jan-23	% change
Total market capitalization (USD* mn)	72,159	72,392	-0.3%
Total equity market capitalization (USD mn)	41,688	41,921	-0.6%
Total free float market capitalization (USD mn)	16,252	16,382	-0.8%
Daily Avg. Turnover (USD mn)	43.0	48.2	-10.9%
Turnover Velocity~	13.6%	18.4%	N/A

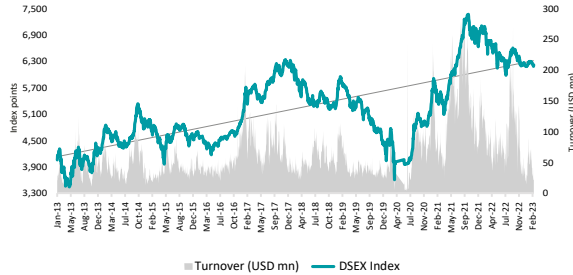
*All USD figures are converted using an exchange rate of 105.74 as of March 02, 2023 as per Bangladesh Bank website.

~Turnover velocity is calculated by dividing monthly total turnover with month-end market capitalization. The figures are annualized.

Historical Index Points and Market Participation Data

Since its inception on February 27, 2013, DSEX yielded a holding period return of 53.3% till February, 2023. During this period, daily average turnover of the market amounted to BDT 6.8 bn (USD 64.6 mn) (Figure 1).

Figure 1: DSEX since inception along with market turnover



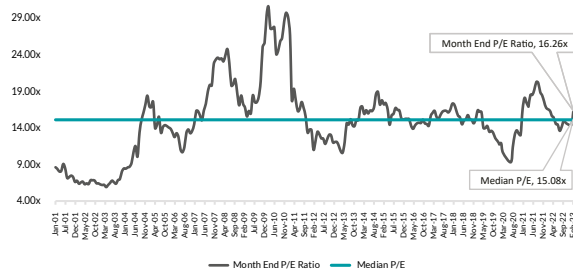
Source: DSE

Market Valuation Level - P/E Ratio

The market P/E increased to 16.26x in February compared to January's 14.45x. It is slightly higher than the 23 years' median market P/E of 15.08x (Figure 2). In terms of trailing 12 month P/E ratio, the equity market of Bangladesh is the cheapest among its regional peers after Vietnam. (Figure 3).

Figure 2: Historical market P/E* and its median

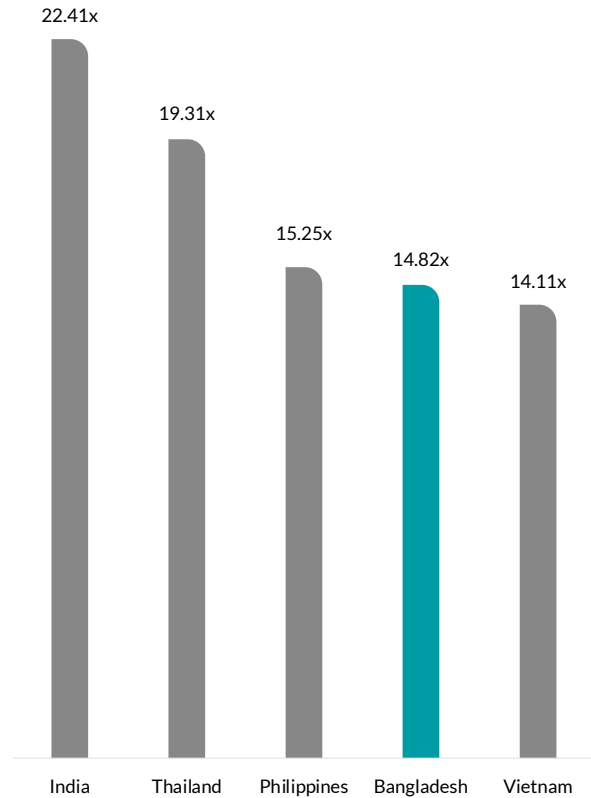
Current Market P/E* in Context of History



*Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their total audited annual earnings.

Source: CEIC, DSE

Figure 3: Current market P/E* of Bangladesh and peer countries



*All Trailing 12 month P/E as of March 05, 2023 except Vietnam. Vietnam P/E as of February 07, 2023.

Source: IDLC, Bloomberg

Sector Performance

Large cap sectors posted mostly negative performance in February 2022. Telecommunication posted the highest positive return of 2.70% followed by Food & Allied (+0.40%) while Engineering sector remained unchanged. Conversely, Textile sector reported the highest negative return of 2.30% followed by Bank (-1.50%), Miscellaneous (-0.90%), Pharmaceuticals (-0.40%) and Fuel & Power (-0.20%).

Telecommunication sector has the highest dividend yield of 5.9% among all sectors.

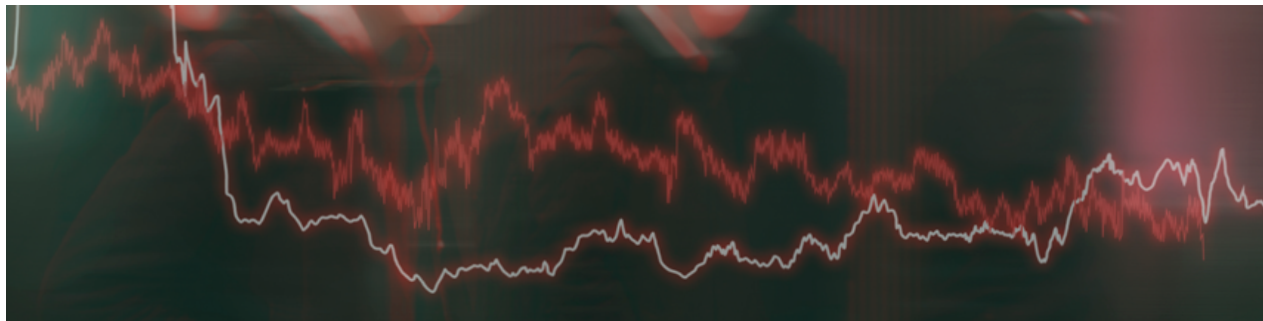


Table 3: Sector performance snapshot

Sector	Market Capitalization (USD mn)		Return*						P/E (x)**	P/BV (x)^	Dividend Yield~
	Total	Free Float	1M	3M	YTD	12M	3Y	5Y			
Pharmaceuticals & Chemicals	6,855	3,694	-0.4%	-0.9%	-0.5%	-0.8%	60.1%	41.9%	16.3	3.2	2.4%
Bank	6,336	3,440	-1.5%	-1.3%	-1.1%	-7.1%	44.0%	15.1%	6.6	0.7	3.9%
Telecommunication	5,487	604	2.7%	2.7%	2.7%	-12.8%	35.2%	-12.5%	16.8	6.0	5.9%
Engineering	4,980	1,070	0.0%	-0.2%	0.3%	-5.0%	84.3%	43.9%	210.4	2.5	1.6%
Fuel & Power	4,216	1,209	-0.2%	1.0%	-0.1%	-4.4%	18.4%	33.9%	11.6	1.4	5.0%
Food & Allied	3,606	1,131	0.4%	0.9%	0.6%	-9.1%	68.6%	51.2%	17.7	8.6	1.9%
Miscellaneous	2,171	920	-0.9%	-1.0%	-0.9%	-13.1%	109.8%	128.8%	12.0	2.5	2.2%
NBFI	1,779	634	-0.4%	-0.6%	-1.5%	-11.3%	31.8%	-8.0%	28.9	2.0	1.6%
Textile	1,568	900	-2.3%	-4.5%	-5.3%	-7.5%	28.4%	16.9%	19.9	1.1	2.5%
Cement	1,049	411	-0.3%	-0.2%	-0.5%	-10.9%	35.2%	-4.8%	18.4	2.9	3.0%
Non-life Insurance	852	479	-9.8%	-3.9%	-3.0%	-26.0%	81.1%	130.1%	15.1	1.7	3.2%
Life Insurance	671	395	-5.4%	1.5%	2.3%	-7.1%	20.0%	44.3%	99.1	7.3	1.8%
Tannery	306	162	1.1%	-1.8%	-1.0%	-15.9%	50.4%	17.1%	32.8	2.9	1.1%
IT	391	238	-3.3%	-0.7%	3.8%	21.0%	85.2%	89.4%	21.9	3.3	1.1%
Ceramics	304	122	1.4%	1.8%	0.7%	1.4%	56.7%	27.2%	39.9	2.1	1.7%
Travel & Leisure	531	281	-0.2%	25.0%	26.9%	89.8%	125.5%	125.9%	30.1	2.0	0.8%
Paper & Printing	381	131	-0.4%	-1.9%	1.8%	-0.4%	99.5%	-0.7%	46.3	2.9	0.8%
Services & Real Estate	268	139	-7.7%	2.4%	5.5%	10.5%	81.0%	54.6%	18.9	1.6	3.3%
Jute	30	16	1.2%	3.4%	-13.4%	56.7%	58.5%	69.3%	118.6	9.3	0.0%
Market	42,482	16,252	-0.8%	-0.3%	0.2%	-7.8%	38.8%	7.1%	14.5	1.8	3.2%

*All returns are Holding Period Return.

**Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their annualized earnings.

^P/BV is calculated by dividing total market capitalization of listed companies with their respective total book values, excluding companies with negative book values.

~Dividend yield is calculated by dividing last year's declared cash dividend with market capitalization.

Cap Class Performance

During the month of February, all cap classes showed negative performance except Large cap. Large cap classes reported a positive return of 0.2% whereas Small cap class faced the highest correction of 4.0% followed by Micro cap class (-3.0%) and Mid cap class (-1.4%). Large cap was the highest dividend yielding (3.7%) class.

Table 4: Performance of different market cap classes

Cap Class	Definition based on market capitalization (USD mn)	% of total equity Meap	Return*						P/E (x)	P/BV (x)	Dividend Yield
			1M	3M	YTD	12M	3Y	5Y			
Large	≥96	77.5%	0.2%	0.6%	0.7%	-7.7%	77.6%	47.4%	13.2	1.8	3.7%
Mid	29-95	12.3%	-1.4%	2.6%	2.4%	1.6%	-24.3%	-32.1%	8.7	1.5	2.2%
Small	9-28	7.7%	-4.0%	-4.7%	-4.7%	-10.9%	75.1%	56.3%	24.9	1.1	2.9%
Micro	<9	2.5%	-3.0%	-6.3%	-6.6%	-8.8%	-80.7%	-85.9%	38.9	0.8	2.7%
Market	-	100.0%	-0.8%	-0.3%	0.2%	-7.8%	38.8%	7.1%	14.5	1.8	3.2%

*All returns are Holding Period Return

Performance of 20 Largest Listed Companies in Bangladesh

Among the 20 largest listed companies in terms of market capitalization, GP (+3.30%) advanced the most, followed by ISLAMIBANK (+1.20%). On the other hand, BEACONPHAR registered the highest negative return of 3.00% followed by BERGERPBL (-1.10%) while others remained unchanged.

Majority of these companies yielded outstanding return over longer time horizon (5 years) such as BEACONPHARMA (+1517.20%), BEXIMCO (+445.70%), MARICO (+156.20%), UPGDCL (+122.70%), DUTCHBANGL (+102.20%) and BERGERPBL (+68.10%).

Among the scripts, GP, UPGDCL, SUMITPOWER, SQRPHARMA, LHBL, and MARICO recorded higher dividend yield compared to that of market.

Table 5: Snapshot of 20 largest companies in terms of market capitalization

DSE Code	Sector	Market Capitalization (USD mn)		Daily Avg. Turnover (USD mn)	Return*						P/E (x)	P/ BV (X)	Dividend Yield
		Total	Free Float		1M	3M	YTD	12M	3Y	5Y			
GP	Telecommuni-cation	3,660	366	0.16	3.3%	3.3%	3.3%	-12.9%	21.4%	-22.1%	12.9	13.3	7.7%
WALTONHIL^	Engineering	3,001	30	0.00	0.0%	0.0%	0.0%	-4.0%	N/A	N/A	1,114.6	4.0	1.4%
BATBC	Food & Allied	2,649	701	0.11	0.0%	0.0%	0.0%	-9.9%	81.2%	51.8%	15.7	8.5	1.9%
SQURPHARMA	Pharmaceuticals & Chemicals	1,759	1,149	0.44	0.0%	0.0%	0.0%	0.3%	25.1%	-8.9%	8.7	2.6	4.8%
ROBI^	Telecommuni-cation	1,486	149	0.00	0.0%	0.0%	0.0%	-15.7%	N/A	N/A	85.7	2.6	2.3%
RENATA	Pharmaceuticals & Chemicals	1,414	689	0.05	0.0%	0.0%	0.0%	-3.2%	49.0%	65.2%	32.9	7.6	1.1%
UPGDCL	Fuel & Power	1,281	128	0.00	0.0%	0.0%	0.0%	-7.4%	13.1%	122.7%	11.9	5.1	7.3%
BEXIMCO	Miscellaneous	958	640	0.14	0.0%	0.0%	0.0%	-19.6%	677.2%	445.7%	7.9	1.7	2.6%
BERGERPBL	Miscellaneous	754	38	0.01	-1.1%	-0.5%	-0.2%	-2.3%	29.6%	68.1%	29.2	11.0	2.3%
MARICO	Pharmaceuticals & Chemicals	721	72	0.05	0.0%	0.0%	0.0%	4.4%	64.0%	156.2%	19.2	41.4	3.3%
LHBL	Cement	712	255	0.28	0.0%	-1.8%	0.0%	-3.5%	62.7%	22.6%	17.1	4.8	3.9%
ICB	NBFI	701	77	0.00	0.0%	0.5%	0.0%	-18.7%	22.9%	-15.8%	79.6	7.8	0.5%
BEACONPHAR	Pharmaceuticals & Chemicals	654	458	0.54	-3.0%	-1.1%	4.7%	34.1%	411.6%	1517.2%	57.6	23.4	0.5%
BXPBARMA	Pharmaceuticals & Chemicals	617	431	0.51	0.0%	-5.7%	0.0%	-21.6%	125.9%	61.3%	12.1	2.1	2.4%
BRACBANK	Bank	545	293	0.04	0.0%	0.0%	0.0%	-22.2%	33.4%	-22.3%	11.4	1.5	1.8%
ISLAMIBANK	Bank	509	229	0.15	1.2%	2.1%	1.2%	2.5%	92.6%	23.8%	9.2	0.9	3.0%
DUTCHBANGL	Bank	412	54	0.00	0.0%	0.0%	0.0%	-6.2%	47.0%	102.2%	8.2	1.6	2.5%
TITASGAS	Fuel & Power	383	96	0.01	0.0%	0.0%	0.0%	1.7%	41.4%	29.7%	16.2	0.6	2.4%
POWERGRID	Fuel & Power	353	88	0.05	0.0%	1.9%	0.0%	-14.4%	22.0%	24.7%	(6.6)	0.7	1.9%
SUMITPOWER	Fuel & Power	343	126	0.00	0.0%	0.0%	0.0%	-5.3%	-1.3%	32.7%	10.8	1.1	5.9%
Market		42,482	16,252	42.95	-0.8%	-0.3%	0.2%	-7.8%	38.8%	7.1%	14.5	1.8	3.2%

*All returns are Holding Period Return.

^WALTONHIL got listed on February 23, 2020. ROBI got listed on February 24, 2020.

Top Performing Mutual Funds

The top ten open end mutual funds based on 5Y year CAGR outperformed the market, during the same period. Among them, Zenith Annual Income Fund (+21.8%) yielded the highest return. On YTD basis, all these funds outperformed compared to market except Second ICB Unit Fund, CAPM Unit Fund, Capitec Padma P.F. Shariah Unit Fund and HFAML-ACME Employees' Unit Fund.

Table 6: Top ten open end funds based on 5Y return (CAGR) performance

Name	Asset Management Company	Fund Size (USD mn)	NAV Return		
			YTD 2023	2022	2018-22
Zenith Annual Income Fund	ZENITH	1.0	1.9%	-1.0%	21.8%
Shanta First Income Unit Fund	SHANTA	11.0	1.2%	-5.3%	13.5%
Vanguard AML Growth Fund	VANGUARD	0.9	0.8%	-0.3%	12.1%
CAPM Unit Fund	CAPM	1.4	-1.5%	5.6%	12.0%
Credence First Shariah Unit Fund	CREDENCE	1.1	0.1%	3.2%	11.5%
HFAML-ACME Employees' Unit Fund	HFAML	1.8	-7.1%	-0.9%	11.3%
Second ICB Unit Fund	ICB AMCL	2.1	-0.1%	-1.6%	9.4%
IDLC Growth Fund	IDLC	4.4	0.4%	-3.8%	9.1%
EDGE Bangladesh Mutual Fund	EDGE	2.8	1.1%	-4.2%	9.0%
Capitec Padma P.F. Shariah Unit Fund	CAPITEC	4.1	-5.7%	10.2%	8.3%
Market (Broad Index) Return (%)			0.0%	-8.1%	-0.1%

*Based on published NAV and DSEX point of February 23, 2023

**Zenith Annual Income Fund NAV is not available due to book closing.

All the top ten closed end mutual funds on the basis of 5 years (2018-2022) outperformed the market during the same horizon. Among them 1STPRIMFMF (+8.8%) and CAPMIBBLMF (+8.8%) posted the highest return. On the YTD basis, PF1STM6 (+3.6%), ICB3RDNRB (+2.1%) and ICBEPMF1S1 (+2.1%) were the top performers.

Table 7: Top ten close end funds based on 5Y return (CAGR) performance

DSE Code	Fund Manager	Fund Size (USD mn)	Price ¹ (BDT)	NAV ¹ (BDT)	Price/NAV	Dividend Yield ² (%)	NAV Return ³				Redemption Year ⁴
							YTD 2023	2022	2020-22	2018-22	
1STPRIMFMF	266.0	2.5	14.0	13.3	105.3%	7.9%	-6.1%	0.5%	23.6%	8.8%	2029
CAPMIBBLMF	795.6	7.5	9.9	11.9	83.2%	8.1%	1.3%	-0.2%	14.8%	8.8%	2027
CAPMBDBLMF	605.1	5.7	9.9	12.1	82.0%	8.1%	0.1%	4.6%	17.7%	8.0%	2027
ICBEPMF1S1	708.8	6.7	7.1	9.5	75.1%	7.0%	2.1%	0.8%	25.0%	7.8%	2030
PRIME1ICBA	982.0	9.3	7.7	9.8	78.4%	6.5%	1.7%	-2.3%	20.8%	7.6%	2030
ICB3RDNRB	915.0	8.7	6.9	9.2	75.4%	7.2%	2.1%	-1.1%	22.7%	7.0%	2030
PF1STM6	572.4	5.4	9.9	9.5	103.8%	5.1%	3.6%	-4.1%	21.4%	6.6%	2030
ICBAMCL2ND	511.5	4.8	9.1	10.2	89.0%	6.6%	1.8%	-0.8%	22.2%	6.4%	2029
ICBSONALI1	1,004.0	9.5	7.8	10.0	77.7%	6.4%	1.8%	-1.1%	17.1%	6.1%	2023
ICBAGRANI1	1,043.3	9.9	9.2	10.6	86.5%	9.8%	1.4%	-1.6%	17.2%	5.6%	2027
Market							0.0%	-8.1%	12.0%	-0.1%	

1 Price as on February 26, 2023 and index value as on February 23, 2023.

2 On last cash dividend declared.

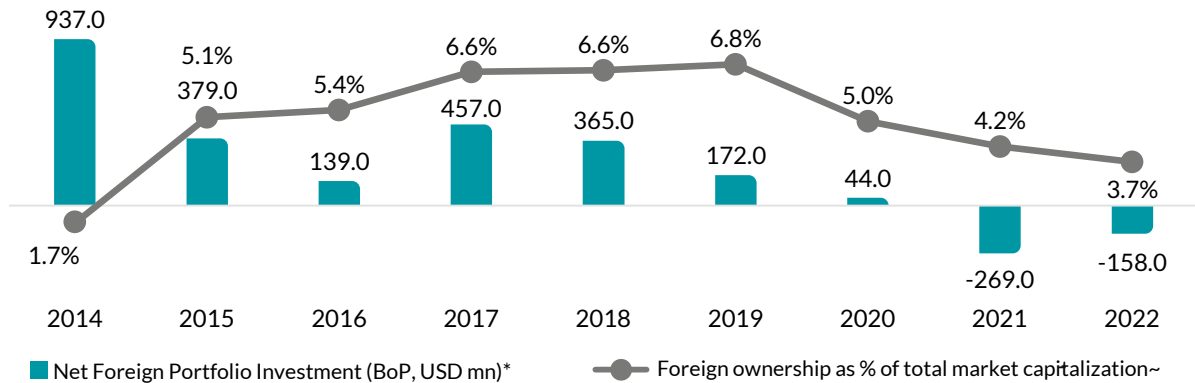
3 CAGR computed for respected periods, except for 2021 and 2022 YTD, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

4 In reference to BSEC Press Release বিসইসি/স্বপার (৪৫ স্বড)/২০১১/২৫ published on March 16, 2018, tenure of existing listed closed end mutual funds can be extended by another tenure equal to maximum 10 years, provided that the full tenure of the subject fund does not exceed 20 years in total. However, the mutual funds those are not willing to extend their tenure will still have the option to convert or wind up as per rules and regulations.

Foreign Participation in Equity Market of Bangladesh

Over last 5 years, Bangladesh equity market has seen a fall of foreign investment. As of February 2023, total foreign ownership stood at 3.7% of the total equity market capitalization, which was only 1.7% in February 2014.

Figure 4: Net foreign portfolio investment and foreign ownership as % of total equity market capitalization



Source: DSE and Bangladesh Bank

~% of foreign ownership of equity market capitalization data are as of December of the respective years.

Among all the companies with foreign ownership, BRACBANK had the highest foreign shareholding of 33.5% as of February 2023, followed by BXPHERMA with 29.2%.

Table 8: Top ten companies with highest foreign shareholding as of February 2023

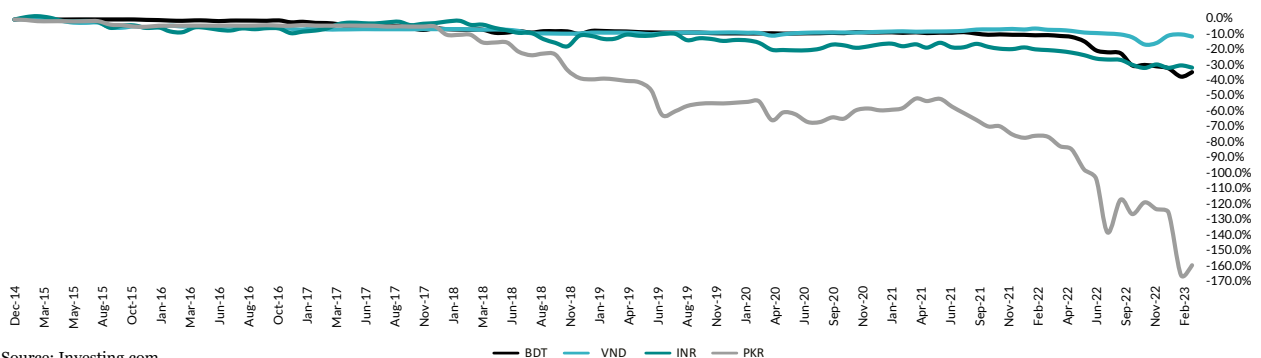
Company	Industry	Foreign Shareholding (%)
BRACBANK	Bank	33.5%
BXPHERMA	Pharmaceuticals & Chemicals	29.2%
NAVANAPHAR	Pharmaceuticals & Chemicals	27.7%
RENATA	Pharmaceuticals & Chemicals	22.7%
OLYMPIC	Food & Allied	21.1%
ISLAMIBANK	Bank	20.2%
DBH	NBFI	18.2%
BSRMLTD	Engineering	17.3%
SQURPHARMA	Pharmaceuticals & Chemicals	13.4%
SHEPHERD	Textile	9.5%
SHEPHERD	Textile	9.5%

Source: DSE

Performance of BDT and Currencies of Peer Countries against USD

BDT depreciated by 34.0% against US Dollar, other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) lost 11.0%, 31.1% and 158.9%, respectively.

Figure 5: Five year's relative performance of BDT and peer currencies



Source: Investing.com



এখন যেকোনো প্রয়োজনে

টাকা জমবে, বাড়বে নিরাপদে

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