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IDLC MONTHLY

BUSINESS REVIEW

B2C Model in RMG Sector of Bangladesh: LEVERAGING THE GLOBAL E-COMMERCE PLATFORMS TO DIRECTLY SELL BANGLADESHI PRODUCTS TO END USERS

IDLC Finance Limited

financing happiness

contents

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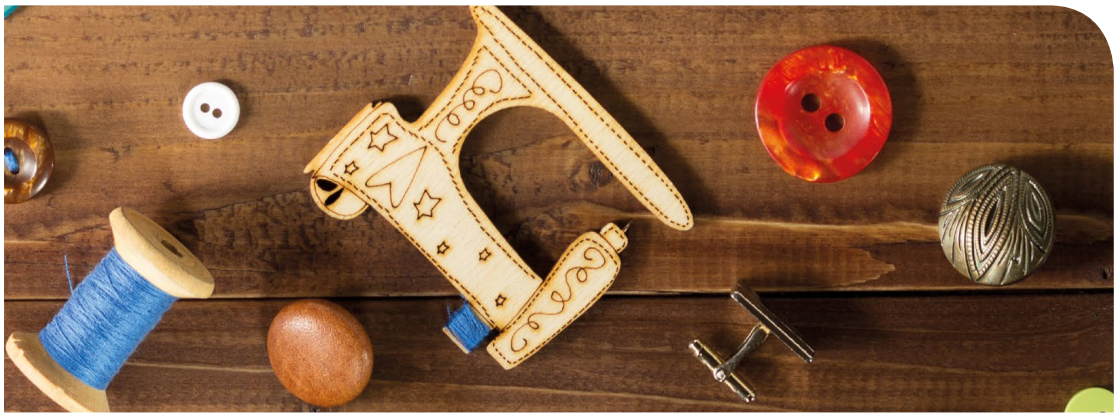
FROM THE EDITOR



From "Made in Bangladesh" to "Brand of Bangladesh": Global E-commerce Platform may Open up New Horizon of Opportunities for Local RMG Manufacturers

It has been 40 years since we are serving the global big brands with our products and designs with pride. However, we are still stuck in the back of the labels or tags and it is high time to level up our game and reach the consumers as a brand. The traditional B2B model may be convenient in many ways but after the Covid-19 break out, it showed us how largely it made us buyer centric. When buyers default, it directly hits our largest export earning sector which is apparently the earning source of 4.5 million people of the country. As of April 2020, global brands and retailers, who purchase clothing goods from Bangladesh, have cancelled & suspended work orders worth $3.18 billion, which directly affected around 2.28 million workers and the dependents of their income. In this circumstances, B2C can be the perfect contingency plan for us to come out of the shadow of the buyers and establish our own market.

With an already established good name in the global apparel industry and growing e-acceptability of e-commerce, it is rather easy for us to penetrate the global consumer market. Moreover, with the hope of relocation of Chinese RMG sector in Bangladesh, the opportunities are even getting bigger. However, there are roadblocks to overcome too. Most of our manufacturers are not aligned with the B2C e-commerce yet and our policies are not yet B2C e-commerce friendly. On the other hand, our product range is not diversified enough to cater the need of consumers around the world as a retailer. However, with the strong willingness of the local manufacturers and policy support we can definitely expand our horizon across the borders.

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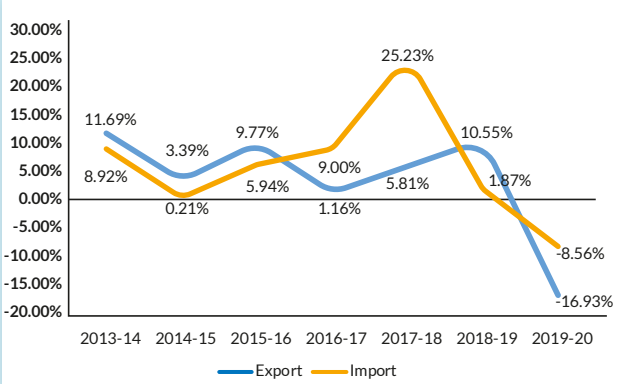
ECONOMY AT A GLANCE

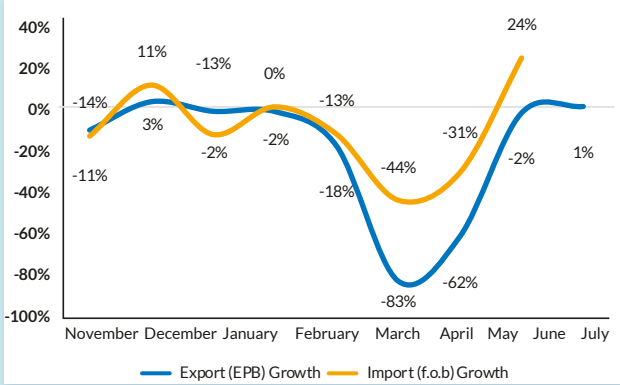
Prepared by IDLCSL Research Team

EXPORT-IMPORT

Growth in Export Imort Trade (Last 7 Years)

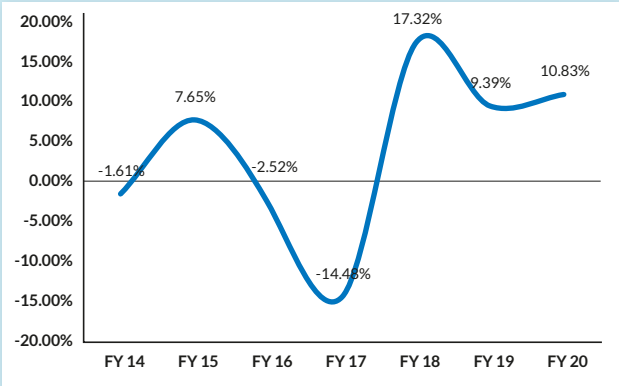


Export-Import Growth- 2019-20

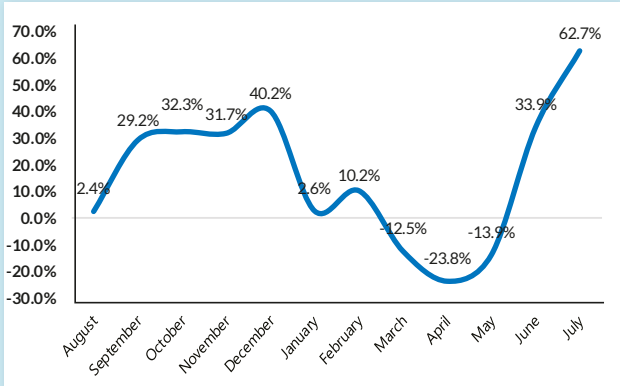


REMITTANCE

Remittance Growth of Last 7 years

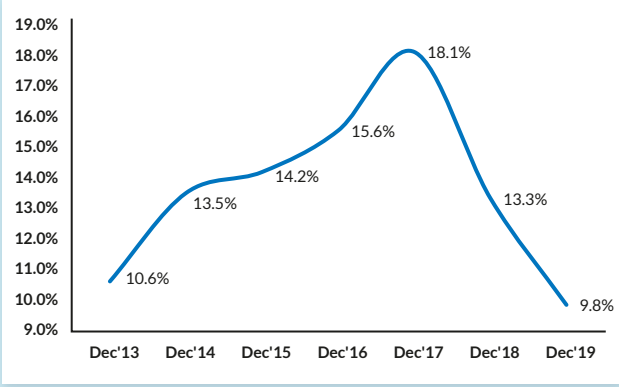


Remittance Growth (Last 12 Months)

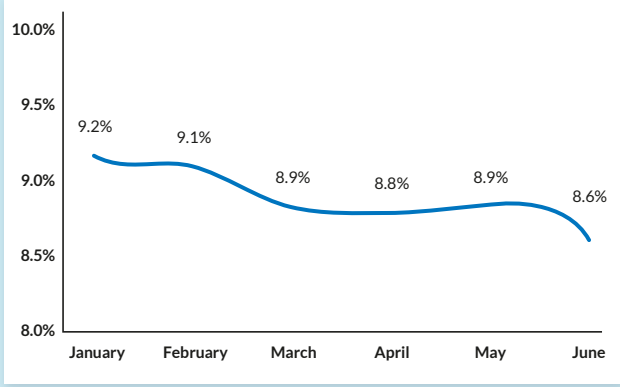


PRIVATE SECTOR CREDIT GROWTH

Private credit growth of last 7 years



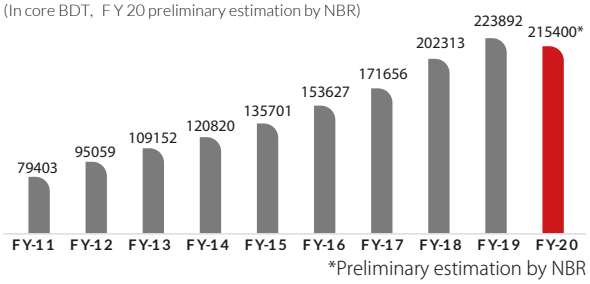
Private sector credit growth -(FY 20)



MONTH IN BRIEF

- **NBR's FY20 revenue receipts down by 3.8%; posts negative growth** for 1st time ever.

NRB Revenue Collection in Last 10 Years
(In core BDT, F Y 20 preliminary estimation by NBR)



- **bKash had 45 million customers in June, on** boards 7 mln new customers during the pandemic period

- The National Board of Revenue has **introduced an e-payment system for VAT payment.**

- Export-oriented companies will be able to receive loans, **at 2% interest, from another BDT 2,700 crore allocated to pay the wages of their workers.**

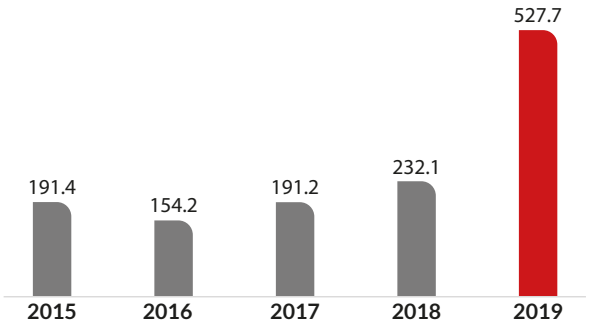
- **The government's borrowing from the country's banking system through treasure bills and bonds** for the first time exceeded BDT 850 bln in FY20 due mainly to slow revenue collection growth and plunge in sales of national savings certificates.

- **RMG exports fetch USD 1.57 bln** in 18 days as buyers reviving orders

- The capital adequacy ratio (CAR) of the banking industry stood **at 11.6% at the end of December 2019, which was 10.5% year ago**

- **Rescheduled loans increased by 127% in 2019**

TREND IN RESCHEDULING LOANS (IN BILLION BDT)



- **Import duty waiver** for PPE, masks, raw materials extended to Sept 30

- 10 banks hold 63% **of country's non-performing loans**

PRODUCING PPE IS A NEW BUSINESS FOR BANGLADESH, BUT SOME OF OUR ENTREPRENEURS ARE ALREADY EXPORTING.

Shafiul Islam Mohiuddin, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and a lawmaker on the increasing the Apparel export orders.

This will be considered as a milestone in VAT collection.

Abu Hena Md Rahmatul Muneem, NBR Chairman at the launch of the e-payment of VAT

Our main target is to bring good experience to customers, ensuring top compliance practice and investment in technology. We are focusing on these three areas.

Kamal Quadir, Chief Executive Officer of bKash on the investment of bKash

Many people in our country, especially small traders, often need money for emergency purposes, and this app-based digital loan will deliver money urgently.

Mashrur Arefin, Managing Director of City Bank on digitally loan disbursement with bKash.

CHINA ALONE IMPORTS APPARELS WORTH BILLIONS OF DOLLARS. WE HAVE A CHANCE TO INCREASE THE SHARE THERE.

Ahsan H Mansur, Executive Director of the Policy Research Institute of Bangladesh (PRI) on Bangladesh export earning drop.

NO ONE SHOULD BE BLAMED FOR THIS. IF THE SITUATION WERE NORMAL THE TAX COLLECTION WOULD HAVE GROWN 11 TO 12% LAST YEAR.

Former chairman of the NBR **Md Mosharraf Hossain Bhuiyan** on decline of revenue.

WORLD ECONOMIC INDICATOR

PREPARED BY IDLCSL RESEARCH TEAM

Country	Nominal GDP: October, 2019 (USD in billion)	Real GDP Growth: April 2020 (yearly % Change)	Inflation Point to point (%)	Inflation (%) As of	Current Account Balance: (% of GDP)	Interest Rates (%), Ten years treasury bond	Currency Units (per USD)
Frontier Market							
Sri Lanka	86.57	-0.50	4.20	July,2020	-3.60	7.49	185.50
Vietnam	261.64	2.70	3.39	July,2020	0.70	2.79	23,175.00
Kenya	98.61	1.00	4.36	July,2020	-4.60	11.87	108.00
Nigeria	446.54	-3.40	12.56	June,2020	-3.30	8.02	380.75
Bangladesh	**302.5**	**8.15**	**6.02**	June,2020	**1.7%**	**7.89**	**84.83**
Emerging Markets							
Brazil	1,847.02	-5.30	2.13	June,2020	-1.80	6.35	5.29
Saudi Arabia	779.29	-2.30	0.50	June,2020	-3.10	n/a	3.75
India	2,935.57	1.90	6.09	June,2020	-0.60	5.83	74.84
Indonesia	1,111.71	0.50	1.54	July,2020	-3.20	6.91	14,550.00
Malaysia	365.3	-1.70	-1.90	June,2020	-0.10	2.53	4.19
Philippines	356.81	0.60	2.70	July,2020	-2.30	2.76	49.03
Turkey	743.71	-5.00	11.76	July,2020	0.40	13.67	49.03
Thailand	529.18	-6.70	-1.57	June,2020	5.20	1.18	31.00
China	14,140.16	1.20	2.50	June,2020	0.50	2.98	6.94
Russia	1,637.89	-5.50	3.20	June,2020	0.70	5.90	72.91
Developed Markets							
France	2,707.07	-7.20	0.80	July,2020	-0.70	-0.21	0.84
Germany	3,863.34	-7.00	-0.10	July,2020	6.60	-0.52	0.84
Italy	1,988.64	-9.10	-0.30	July,2020	3.10	1.03	0.84
Spain	1,397.87	-8.00	-0.30	June,2020	2.20	0.30	0.84
Hong Kong	372.99	-4.80	0.70	June,2020	6.00	0.40	7.75
Singapore	362.82	-3.50	-0.50	June,2020	14.80	0.83	1.37
United States	21,439.45	-5.90	0.60	June,2020	-2.60	0.53	n/a
Denmark	347.18	-6.50	0.30	June,2020	4.80	0.38	6.29
Netherlands	902.36	-7.50	1.60	June,2020	9.00	-0.40	0.84
Australia	1,376.26	-6.70	-0.30	June,2020	0.91	0.84	1.39
Switzerland	715.36	-6.00	-0.90	July,2020	7.20	-0.53	0.91
Britain	2,743.59	-6.50	0.60	June,2020	-4.40	0.10	0.76

Bangladesh data: GDP size and real GDP are sourced from Bangladesh Bureau of Statistics as per 2018-19 data. Calculation Method of CA Balance (%of GDP): CA balance of FY18-19 / GDP of FY18-19.Interest rate (%) 10 years TB as per March,2020, Inflation as per June,2020 and Currency Unit (per USD) as per 5th August,2020 are sourced from Bangladesh Bank

Nominal GDP: Data of all countries apart from Bangladesh is sourced from IMF estimates of 2019 data (October, 2019 Outlook)

Real GDP Growth and Current Account Balance: Data of all countries apart from Bangladesh is sourced from IMF estimates of April, 2020 data (World Economic Outlook, April 2020)

Inflation : Data of all countries apart from Bangladesh is sourced from tradingeconomics.com as per 5th August,2020

Interest rates 10 years TB and Currency Unit : Data of all countries apart from Bangladesh is sourced from Investing.com as per 5th July,2020

REIMAGINING THE OFFICE AND WORK LIFE AFTER COVID-19

RESEARCH IN FOCUS

The pandemic has enforced the new path of working as well as the new manner of normal life. Organization are going to reimagine the work by ensuring the safeness which provides the safeguard of the health issue. COVID-19 brings the unparalleled humanitarian challenges. There are lots of organization that are adopting the new policies to safeguard the employees and finding out the new way of works. In different industries, business persons are trying to experience their large scale of work from work-from-home to identify how the new policy works.

As the people were leading the normal life before the pandemic, coming to office physically to work, was a common phenomenon. Organizations set their culture, productivity and acquired talents to win competition through gathering a common place. They competed intensively in their office spaces.

The estimation suggest that 62% of the Americans employees worked from home during crisis at early this April. During the pandemic, it is surprising to see how quickly the technologies changed the way of work. People are engaging through videoconferencing and other forms of digital devices. In most of the cases, the result is better than imagined.

According to the research of McKinsey, 80% of the people responded that they enjoy working from home. 41% replied that they are more productive than before and 28% said that they are as productive as before. Many employees accepted the situation and perceived that they can balance their personal life and professional lives and therefore, they preferred to work from home. With work form home policy in place, many organization are starting to think that they can assess new pools of talents with fewer location constraints, new innovation to boost up productivity, and dramatically reduction of real-estate costs.

However, many organizations need to reopen the spaces to serve their customers with challenging mood. Before the vaccine is available, the office culture will not remain same as before the pandemic. To ensure the safeguard, they needs to wear masks and redesign the spaces by ensuring the physical distances. Irrespective of organization plans for new normal life, there are some inevitable questions which arise in backdrop.

1. Is it conceivable that the gratification and efficiency people experience working from homes is the result of the social capital built up through countless hours of water-cooler conversations, meetings, and social engagements before the onset of the crisis?

2. Will corporate cultures and communities erode over time without physical interaction?

3. Will planned and unplanned moments of connection between coworkers become weakened?

4. Has working from home prospered only because it is viewed as provisional rather permanent?

If we check the reality of the arguments, there are both sides to support and not to support the issues. Every organization is different with its culture and work environment, and all the employees will not act the same as they do not process same talent in each aspect. Some employees enhance their productivity by doing multi-tasking. While some care less about productivity and engage in casual, unplanned and important conversation with colleagues during work hours.

Four steps to reimagine work and workplaces

As there is not one-size-fit solution for any situation, the leading organizations are boldly questioning about how work would be done and what the roles of the office will be. The answer will be based on the talents needed, which roles are most important, how much collaboration is essential, and where the offices are located todays, among others factors impacted on the business. The following recommendations can be considered by organizations to reimaging how work needs to be done and what the job roles of the office would be:

ABOUT THE RESEARCH

Reimagining the office and work-life after COVID-19 is a McKinsey &Company article By Brodie Boland, Aaron De Smet, Rob Palter, and Aditya Sanghvi on how to rearrange office and work-life after COVID-19.

1. **Reconstruct how work is done**

In the lockdown situation, most the organizations have importantly altered to go on the collaboration and tried to ensure the smoothness of the work and are carried on remotely. As most of them simply transplanted their existing process to work from remote contexts, the process worked well in some organization, but not for others.

Therefore, the organization need to identify the important process of each major business, geography, function, re-envision, and involvement with employees. This effort should inspect their professional development journeys at the different stages of the projects.

Here, most important issue need to keep in mind that reimagining and reconstructing processes and practices will serve as a foundation of an improved operating model that leverages the best of both in-person and remote work.

2. **Decide 'people to work' or 'work to people'**

In past, the competition for talent was sterner than ever and they were less willing to relocate to their employer's location. Currently, as the organizations reconstruct how they work and set the process to work remotely, they can make the design on which job roles must be carried out in person as well as to what extent. Roles could be restructured into employees segments by considering the following issues:

- **Fully remote** (net positive value-creating outcome)
- **Hybrid remote** (net neutral outcome)
- **Hybrid remote by exception** (net negative outcome but can be done remotely if needed)
- **On-site** (not eligible for remote work)

For the first two roles, up-skills are important but talent sourcing may be easier in this aspect. Indeed, the talent people live in the cities of their choice and can serve the leading organization. They can give monthly trip to the headquarters or meeting with colleagues at a shared destination. This approach can be a win-win proposition for both employers and employees.

3. **Redesign the workplace to support organizational priorities**

From the above discussion, the form of work places is articulated. Few offices are intently designed with their mission and vision as well as culture to support the organization specific objects. However, the post-pandemic, they need to be transparent to redesign for the safeguard of employees.

Organization could create workspaces to support the interactions which cannot happen remotely. Here, technology can play the vital role. Organization need to manage which employees need to come office in person, how often the office is cleaned, the control of the movement and others.

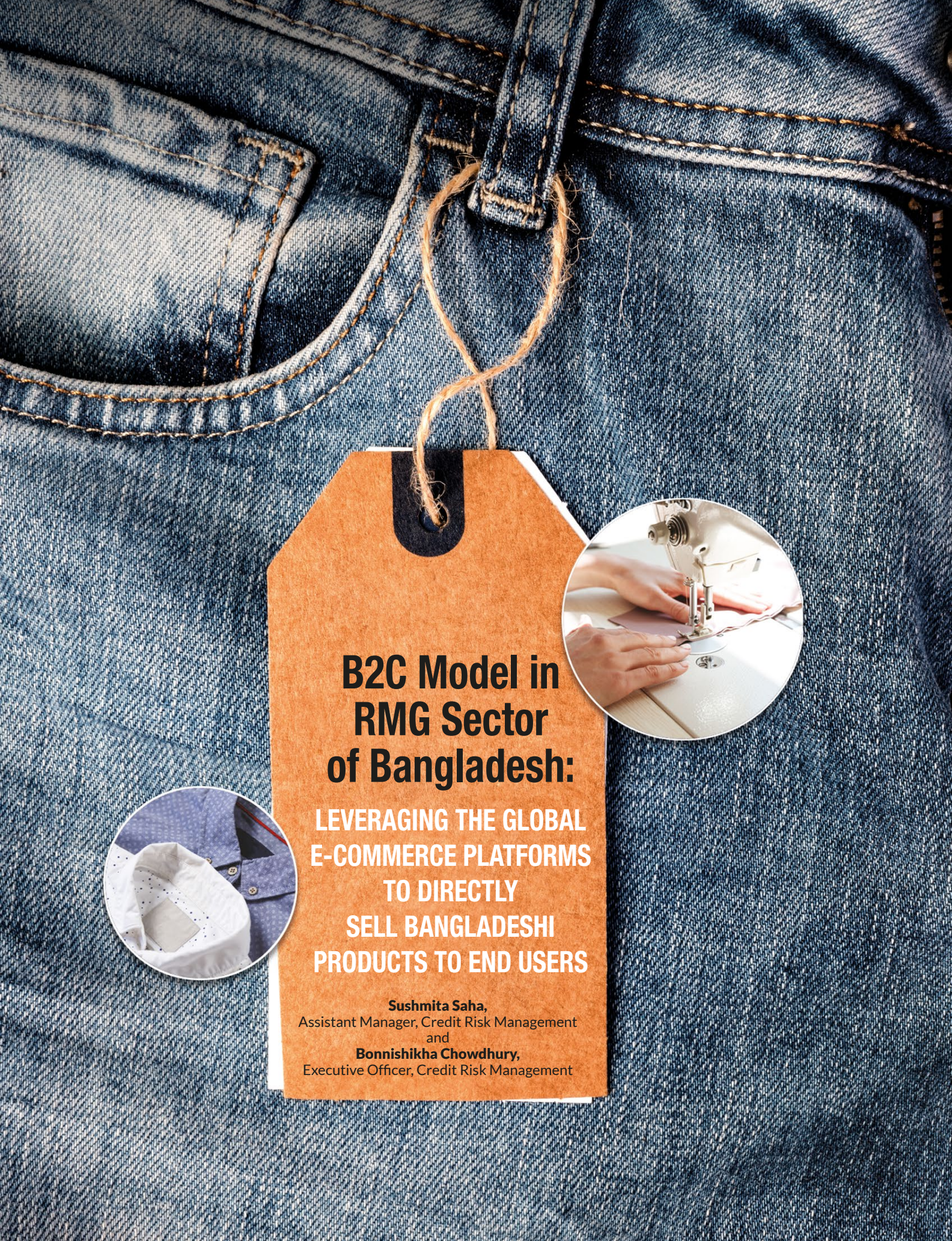
To uphold the productivity, collaboration, and learning as well as to sustain the corporate culture, the limitation between being physically in the office and out of the office must be complied. Videoconferencing may be a good tool to sustain a standard practice.

4. **Resize the footprint creatively**

A transformational approach to recreating the office will be necessary. Instead of current office space scenario, they need to give a fresh look at how much and where the space is needed and how the desired outcome can be fostered. Many organization may prefer to stay in big-city, others may not. However, to stay in big city with high rent requires the need to rethink.

In any case, the coming transformation will use a portfolio of space solutions: owned space, standard leases, flexible leases, flex space, co-working space, and remote work. These changes may not only improve how work is done but also lead to savings. Rent, capital costs, facilities operations, maintenance, and management make real estate the largest cost category outside of compensation for many organizations.

As employers are talking with their employees back to office, the leadership of the employers must ensure both productivity and safeguard of the employees because a well-planned approach can develop the collaboration and productivity of employees and reduce the cost of operation. Therefore, the employers need to be the transformational thinkers to explore new normal life.



B2C Model in RMG Sector of Bangladesh:

LEVERAGING THE GLOBAL E-COMMERCE PLATFORMS TO DIRECTLY SELL BANGLADESHI PRODUCTS TO END USERS

Sushmita Saha,
Assistant Manager, Credit Risk Management
and
Bonnishikha Chowdhury,
Executive Officer, Credit Risk Management

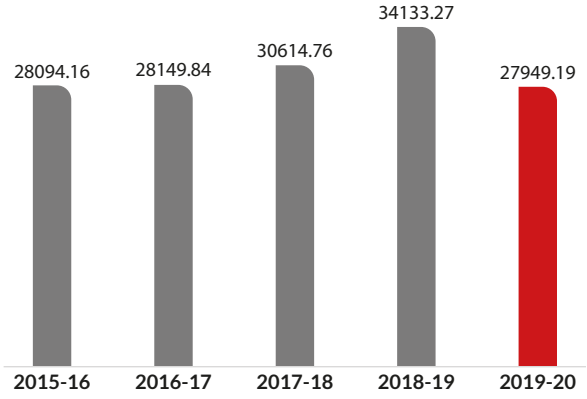
Two very important lessons this ongoing pandemic has taught us are, continuous upgradation with new technology and innovative market penetration strategy are the only way to survive this competitive economy. Our RMG industry is very much buyer centric and we do not have any exposure to the direct consumers. This is high time we should take some serious steps to make a strong position in the global consumer market. Moreover, with growing e-commerce acceptability such penetration in global consumer market has become comparatively easy to achieve.

It is already established that the future is online. However, this pandemic fast forwarded us to the future and made it present. The traditional marketing and management of fast fashion industry is experiencing a revolution because of the emergence of e-commerce. Even though, the domestic e-commerce sector of our country is gradually growing but when we consider the international market, the expertise level is still rather low. Unfortunately, even though Bangladesh is the second largest exporter of global RMG market, most of our manufacturers are still not B2C e-commerce ready.

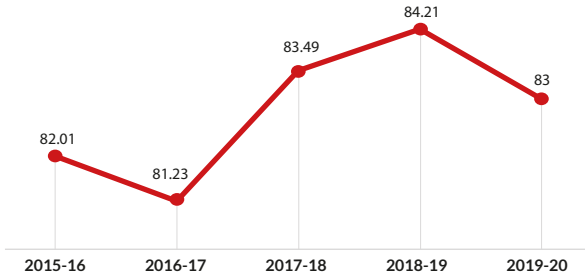
Impact of Covid on RMG sector of Bangladesh

RMG industry of our country now boasts 4,621 factories employing about 4.5 million workers (mostly women) and earning a whopping $ 27949.19 mln in the year 2019-20, which accounts for 83% of Bangladesh's total export earnings. This makes RMG the largest exporting sector as well as the biggest employer in Bangladesh.

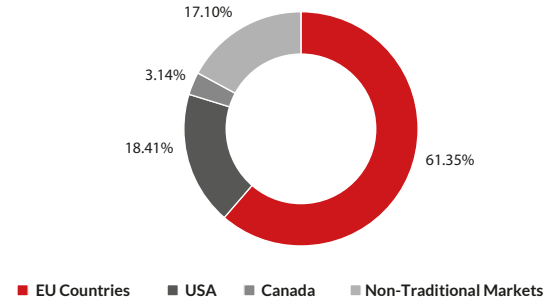
EXPORT OF RMG (IN MLN USD)



COMPARATIVE STATEMENT ON EXPORT OF RMG AND TOTAL EXPORT OF BANGLADESH (%)



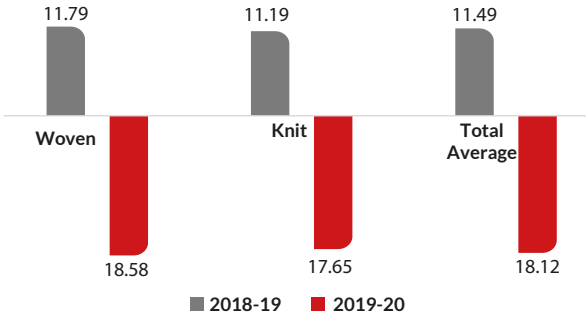
Export Basket as per FY 2019-20



However, the unforgiving pandemic: COVID-19, laid a very strong blow to the sector. BGMEA stated, as of April 2020, global brands and retailers, who purchase clothing goods from Bangladesh, have cancelled & suspended work orders worth $3.18 Billion. It directly affected around 2.28 Million workers and the dependents of their income.

The BGMEA unveiled a report on July 24, 2020 named "Analysis of Factory Capacity Booking Survey", according to which RMG exporters have booked only 35% of their production capacity for August-December period, and on average, the price trend has been showing a 14% decline. Rough calculations made by Bangladesh Garment Manufacturers and Exporters Association suggests that the sector has suffered business losses of nearly $3.7 billion in order cancellations and refusal of shipments since the pandemic hit the US and EU – two key destinations for us. On the other hand, due to lack of order small and medium-sized factories are forced to shut down causing unemployment of a large number of people.

Export Growth of Bangladesh's RMG Sector (%)



How the sector is recovering?

- The industry started facing the impact of pandemic since the beginning of March. When the country wide lockdown was announced from 25th March, the industry personnel were concerned that the pandemic might lead to a huge fall of the industry. The initial concern was the due salary of the workers which was resolved by PM's BDT 5,000cr stimulus package for export-oriented industries. The stimulus package however was not enough for all the factories. Many missed out and also it was approximately less than 40% of the requirement. On the other hand, the salary was disbursed through mobile financial services which was a revolution for our payment sector.

- However, throughout the first and especially the second quarter of 2020, personal protective equipment (PPE) production has helped mitigate some of the pandemic's impact on the textile and apparel sector.

- It is observed that as most of the countries has come out of the lock down situation, there is a tendency of the consumers to buy new clothes. Thus, the buyers are in need of new products. One bright side of this industry is, the consumers are always in need of new products. Moreover, due to the shutdown most of the products stocked in the stores are damaged. However, this situation is leading to generate new orders for the manufacturers of our country. On the other hand, Europe is predicting a 2nd wave of Covid, if it causes another shutdown, such situation will be huge shock for the industry.

Traditional B2B model and its limitations:

Business-to-business in general is defined as commercial business between trading partners. The export oriented RMG industry of our country is completely buyer centric. When the pandemic hit the EU countries, the biggest headache for us was the order cancellation. In a B2B model, the buyers place pre-order for their required products to the manufacturers of our country. After preparing the products, the manufacturers hand it over to the international buyers and later, the buyers distribute or sell them to the final consumers. Thus, our manufacturers suffer the most if a buyer defaults in any way. For instance,

- If buyers fail to pay bills or take long to pay back the manufacturers face uncomfortable situation since the manufacturers solely depend on them.

- If the manufacturers do not receive enough orders from the buyers, they usually have to lay-off the factories as they run on very tight margin. In case of lower volume, operating expenditure cannot be met as well.

- If a buyer cancels order, the manufacturer has nowhere to go with such large amount of products. It is because, buyers would require removing all the tag and accessories, before shipment to others. Hence, it is impossible to sell them elsewhere. Moreover, due to bonded warehouse regulations, the manufacturers are not legally able to sell off the products in local market.

All these happen just because our local manufacturers do not have direct access to the international retailers or consumers. We have been following the B2B model for RMG sector. However, B2B e-commerce is also in practice here.

How B2C model works in RMG Sector

B2C is a channel in which the brand creates sales directly to customers such as flagship stores, shop in shop, outlets, and online shopping malls. In case of Bangladesh, even though there are some local brands which follow business to consumer model but in international market the presence is not strong enough.

Marketing is most essential for B2C as this is what exposes the brand or product to the public.

Since B2C targets more on a comprehensive scale than B2B channel, effectiveness cannot be underestimated. At many times, more is spent on marketing for a bigger impact on the market through the use of celebrities.

Forrester, an American market research company,:

1. Catalog companies: Retailers that derive the majority of their revenues from catalog sales

2. Brick and mortar retailers: Retailers that generate majority of their revenues from physical stores

3. Pure manufacturers: Apparel manufacturers that sell products only through stores owned by others

4. Hybrid manufacturers: Manufacturers that sell both in their own stores as well as stores owned by others

5. Pure play firms: Retailers that sell apparel only online.

Global practice of B2C E commerce model

Clothing is one of the most popular product categories purchased by digital shoppers worldwide. As per yStats.com's report "Global Clothing B2C E-Commerce Market 2018", the global fashion B2C E-Commerce market might exceed half a trillion euros in sales by 2022. In terms

of online penetration of total retail sales by 2022, more than one-third of clothing, accessories, and footwear spending is expected to occur online. The growth is driven by increasing number of online fashion shoppers who look for convenience, larger product selection, lower prices, convenient payment methods, online reviews and product ratings when purchasing clothing and accessories on the Internet. However, the projection was made before pandemic; given the rapid adoption of online shopping this estimation might hit two-third level.

- China is considered to be having the largest online retail fashion market globally. Huge population and the high fashion online shopper penetration have been helping China to grow rapidly in online fashion retail sector. Tmall and Taobao are the leading channels for buying apparel products in that country.
- The second place worldwide in online sales volume of fashion products is held by USA. As of summer 2018, Amazon was the preferred pure online store for purchasing fashion items among pure online players and multi-channel retailers in the USA. On the other hand, the online shopping sites of store-based retailers Walmart, Kohl's and Macy's were among top five destinations for online clothing shopping of the country.
- In Europe, UK is considered to be the European leader in online apparel, footwear and accessories retail sales. A ranking from 2018 cited in the yStats.com articulates that HM.com was the most prominent E-Commerce fashion website regarding the number of visits on a monthly basis. Russian-based online fashion retailer Wildberries.ru ranked second, followed by pure online players Asos.com and store-based Zara.com.
- India is also observing a continuous change in apparel buying pattern and today's generation seems to buy clothes online without a break there. To cater such growing need, Bangladesh can be the Mexico of India if it can establish its online presence on marketplaces like eBay and Amazon. Bangladesh has been enjoying duty-free trade benefit to Indian markets from 2011 under the South Asian Free Trade Area (SAFTA) on export of all goods including apparel products. Bangladesh's share of the imported garments market in India rose 34% in the fiscal 2019-20 from 26% in the fiscal 2017-18 as per The Daily Star. Global retail giants like H&M and Walmart have opened outlets in India and have already started sourcing from Bangladesh, causing the spike in exports. Moreover, the demand for Bangladeshi apparel items has been rising among the Indian middle-income consumers because of competitive prices.

However, Amazon has demonstrated a strong interest in the global expansion of the online fashion segment in recent years which intensified the global online clothing market competition. In the growing competitive environment, Omni channel strategies have become vitally important for both online and store-based retailers of apparel. For example, European online fashion retailer Zalando now has begun to expand an offline segment by opening several brick and mortar outlets in Germany.

KEY POINTS

1. Bangladesh is the 2nd largest exporter of global RMG market
2. As of April, 2020 buyers have cancelled & suspended work orders worth **$3.18** Billion due to pandemic.
3. Traditional B2B and B2B Ecommerce is in practice now which is very buyer centric.
4. Global fashion B2C E-Commerce market might exceed half a trillion euros in sales by 2022
5. China has the largest online retail fashion market globally
6. To establish B2C e commerce along with policy support, willingness of the local manufacturers is also needed

Bangladeshi local brand in global Market: Yellow

Among the few local B2C practicing brands, "Yellow" of Beximco Textile is very popular among the Bangladeshi fashion enthusiasts. Although Beximco already had an established name in the global market through their export business but Yellow's success has taken Beximco to a new level internationally. By successfully exploiting the factors like, easy access to raw materials, cheap labor and in-house design and manufacturing capabilities, it possessed first-mover advantage and a unique market share. Moreover, the desire to increase profitability and to diversify customer base motivated Yellow to go international. Currently, yellow has four international shops in Pakistan and South Korea. As per Beximco News, Yellow gained competitive advantages overtime with its in-house design capabilities, with teams based in Bangladesh and Spain, and talented designers from the world's renowned design institutes.

Benefits and opportunities of B2C e- commerce in Bangladeshi RMG sector:

It's been more than 40 years since we are successfully delivering world renowned brands including H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark, JCPenney, C&A, Tommy Hilfiger, Inditex, Walmart, M&S, Calvin Klein, Diesel, Gap, Chanel, Zara, G-Star and many more by maintaining reputation. However, Covid 19 hit them hard as well. Among them,

- The Swedish fashion brand H&M has announced to close 170 stores worldwide as they faced 50% drop in sales during the second quarter of 2020 due to stores being closed during lockdowns worldwide. However, it will be shifting its focus to its online business in wake of the ongoing pandemic.
- GAP has reported a quarterly loss of approximately $1 billion in June 2020 and seeking for discounts and payment deferrals from the suppliers.
- Zara's owner Inditex will close 1,200 stores worldwide by 2021, due to losses from the closure of its stores over the coronavirus crisis. It will instead focus on expanding its larger stores and drive its online business and turn its attention to online sales.

Thus, the biggest benefit will be coming out of the shadow of the global giants and having our own market. Bangladesh already has a goodwill in the global apparel market which already gives the manufacturers of our country the opportunity to penetrate the consumer market instead of targeting the giant brands only.

Another big advantage of B2C model is the larger profit margin compared to B2B. It is observed that, when a B2C brand become well known with a good amount of positive image, it can create more profit margin than B2B even after providing discount. Moreover, B2C has faster cycles than B2B in sales, as customer purchases are mainly based on emotional decisions.

Some manufacturers of Bangladesh are already selling their products via Amazon in a small scale and the response was praiseworthy. Moreover, many of our manufacturers have been serving the big brands with their own design. Thus, it is a potential market for the local manufacturers to establish their own brand.

The industry experts are predicting that, China might come out of their RMG business and relocate it to somewhere else. Even though it is assumed that Vietnam might get the Chinese market but due to some strategic strength Bangladesh is the best solution for China. As it was stated before, China has the biggest online retail market globally capturing that market will be a huge opportunity for us.

After the Rana plaza incident, the manufacturers of Bangladesh have been very conscious about compliance. As a matter of fact, they have been investing a lot in order to ensure compliance and establishing more and more green factories. These are the mentionable selling points for the global consumers. If these are communicated properly, consumers will be more interested.

Moreover, due to the pandemic worldwide a lot of retail stores are shutting down and more and more consumers are shifting towards online shopping. It is also predictable that due to economic downfall caused by this pandemic, consumers will shift to cheaper clothes and the products manufactured in Bangladesh mainly fall into that category.

The road blocks in establishing B2C model in Bangladesh and way outs:

The first roadblock towards establishing B2C e commerce model is, our policies are not virtual market friendly. As we have been practicing B2B model largely, to start practicing B2C, policy modification is compulsory. For example, allowing local companies to form companies overseas, is necessary to import goods from Bangladesh. Moreover, easing the procedure is vital for international transaction.

B2C brands need more employees and the initial cost of opening a store is higher. In addition, it has limits in expanding to overseas markets because of its pricing structure and regional limitations. It has regional limitations in choosing the location of shops as they are forced to open a flagship store in a big city. Thus, initiating B2C requires a good amount of funds. Hence, facilities like export turnover to remit abroad against actual expenses in product / brand development, marketing and other expenses will be beneficial for the manufacturers. To facilitate them financially new products should be introduced by the financial institutions. Moreover, it takes a lot of time to process international payments which is needed to be reduced. On the other hand, absence of PayPal can also be a discouraging factor for the consumers in B2C ecommerce operation.

In the end, it is very important for the manufacturers to have the willingness to accept the new challenges and take some risks. B2C or B2C e-commerce is definitely a completely new market for our RMG sector where manufactures have been operating is traditional model for a long time. Moreover, the order size will be small but a good range of product diversification has to be ensured. In this case, only technological advancement and process innovation can be helpful.

Mr. Sharif Zahir, Managing Director, Ananta Group and Director BGMEA expressed his opinion on how the RMG sector is currently dealing the pandemic situation with Mr. Nasir Uddin Babu, Manager, Corporate Division, IDLC Finance Limited

Mr. Sharif Zahir
Managing Director, Ananta Group & Director BGMEA

Export trend scenario during Covid 19

In July our total export was US$3.88 billion, and RMG contribution was approximately $3.25 billion. With the lockdown of factories, the total export was only $374 million in April. Total export in May was still significantly low at USD 1.2 billion which started to pick up in June at USD 2.24 billion and rebounded to be at USD 3.25 billion in July.

Did July show a ray of hope?

July is traditionally the back to school for fast fashion and this is the time when exports pick up. This year, the rise is mainly due to the back log and the need for stock replenishment when the stores have opened up in major markets. However, there is a lot of uncertainties in the market, and retailers are struggling to understand the demand pattern. In some places, after the opening there have been significant increase in sales. A lot of stores are out of stock. However due to the export-import halt in last few months, the retailers definitely do not have fresh stocks in hand. Some retailers are even rushing shipments by airing the goods at high cost.

How the factories fought Covid 19:

After an entire month of lockdown of factories from March 26th to April 30th, it was very difficult to open the factories due to the general sentiment of spread of virus among factory workers and also the community. BGMEA came up with detailed protocols consulting with ILO and WHO standards. Most factories were opened from May 1st. Two PCR testing labs were set up by BGMEA for free testing of workers. However, it has been a blessing that the spread of disease among factory staffs and workers have been at minimum level. Around 500 workers confirmed catching Covid and with 100% recovery and no deaths. The resilience has been extraordinary and we have recorded the least number of infected in July before the Eid holidays. Therfore, The industry seems fully ready for smooth production.

The regulatory supports:

In my understanding, we have already lost $5 billion worth of exports. The initial cancellations

were around $3 billion. Factories had liabilities of finished stocks as well as raw material payments against confirmed orders. This scenario has improved as the retailers have opened up and reduced the figure of cancellations. However, the sum is still quite large and the factories/countries foreign exchange reserve will be in pressure to pay for the imported raw materials. The government has been most proactive to roll out stimulus packages in the form of subsidized loans. The government has paid for four months of salary of the workers. Exemplary method has been used where the money was transferred directly to the workers' bank/MFS account (100% of the pay roll was made through bank transfer). However, the factories will have to pay back these loans in six months from now within two years which will be a big burden.

The fear of retrenchment:

Some handful factories have closed down. There has been retrenchment across the factories but most for apprentice/workers who have been working for less than one year where the compensation is the lowest. Since most of the factories cannot afford to retrench/terminate the older workers where the compensation is high. So in a 4 million worker population, even a 10% of workers in less than one-year category, we are talking about 400,000 workers. However, we are hopeful that with China becoming uncompetitive, the demand of apparel products out of Bangladesh will again become popular and these workers will be employed back by the end of the year.

Current buying behavior of customers:

The media has played a big role to put the pressure on the retailers along with the NGOs, Trade Unions, local association and others. Buyers have turned around and at least have started dialogue with factories to reduce the cancellations.

However, nothing much has changed in terms of their purchase behavior. They have been mostly busy in managing their costs and staying afloat as many has filed bankruptcy. As they have opened up, they are struggling to understand the buying pattern and continuing with their usual buy practices. There has been tremendous pressure on prices since factories cannot afford to remain idle and due to competition, they are forced to offer lower prices.

Overall from initial projections of 40% lower order in coming seasons, we see improvements of 10-15% in actual placements. Overall the sector will be short by 20-25% orders in the rest of the months.

Change in consumer behavior:

Some products categories are suffering more than others. Knits/Loungewear has picked up while Formals/Denims/Rigid garments are suffering. Hypermarket such as Walmart/Target/Amazon has gained significantly with no loss of sales. While departmental stores based private labels are suffering, some brands catering to causals are doing better.

Overall there is no change in buying behavior. I don't think consumers' behaviors will change either. Everyone is eager to going back to normal behavior as it was before Covid times. Its surprising to see the footfall in restaurants in places where the lockdown has been relaxed. Sustainability was the catch word in 2019 and it will still continue. Brands will try to market on that. However, as we understand, brands/retailers are driven by customers' needs and whatever helps in selling. At the end of the day, the executives who run these retail are driven by sales and profit targets. Thus, whatever helps in attaining that target, they will do that.

SMARTMEAL

Gazi Nashek Rabbani, MD of Smartmeal and Shafqat AK Chowdhury, Director of Smartmeal in an insightful conversation discussed their journey, current activities and future plans with Bonnishikha Chowdhury of MBR Team.

Shafqat AK Chowdhury
Director

Gazi Nashek Rabbani
Managing Director

Freshness and good quality of daily eatery is a necessity that should not be an option. It is the single most common thing we cherish as humans, no matter what part of the earth we are located. We want to excel in life and for that very purpose we need the right nutrition. Smartmeal is an initiative to set us free from the burdensome part of seeking nourishment on a daily basis. Smartmeal has been inspired by the absolute finest, a generation of hardworking and talented individuals of this city. Gazi Nashek and Shafqat AK Chowdhury launched Smartmeal in 2019, from F&B entrepreneurs to founder of Smartmeal is a milestone for both individuals.

MBR: What is Smartmeal's business model?

Smartmeal: It is a subscription based service offering a variety of meals with a simply delicious menu. Sourced from the ethical farmers and brought right to your fork, Smartmeal does it all for you. Smartmeal prepares the fresh produce into a fresh healthy meal in one of their state of the art kitchens (cloud kitchen) and brings it to your doorstep with care and safety by our very own fleet members.

MBR: How the response was in the initial stage and what strategies have you developed to expand the client base?

Smartmeal: The young professionals, executives and office goers instantly acknowledged the smart packaging the team developed. As the diverse cuisine of our food started building its own reputation, Smartmeal reached all demographics of people. Smartmeal will soon offer single order meals for the on demand clients. We are constantly developing our service and products to make it more accessible for everyone.

MBR: In an age of technological advancement and increasing internet accessibility, how do you intend to make Smartmeal a profitable venture?

Smartmeal: We are a tech enabled company and our unique approach to the greater market is online. Tech has given Smartmeal advantage to be extremely efficient and potential for growth.

MBR: How many customers does Smartmeal have currently? How do you hope to scale up the business?

Smartmeal: Smartmeal has 150 subscribers and sold 8000 units till now. It is generating a lot of interest from customers. Our consumer focused and health conscious business model will be an easy solution in the post Covid 19 world for the greater population.

MBR: What challenges does Smartmeal face in general?

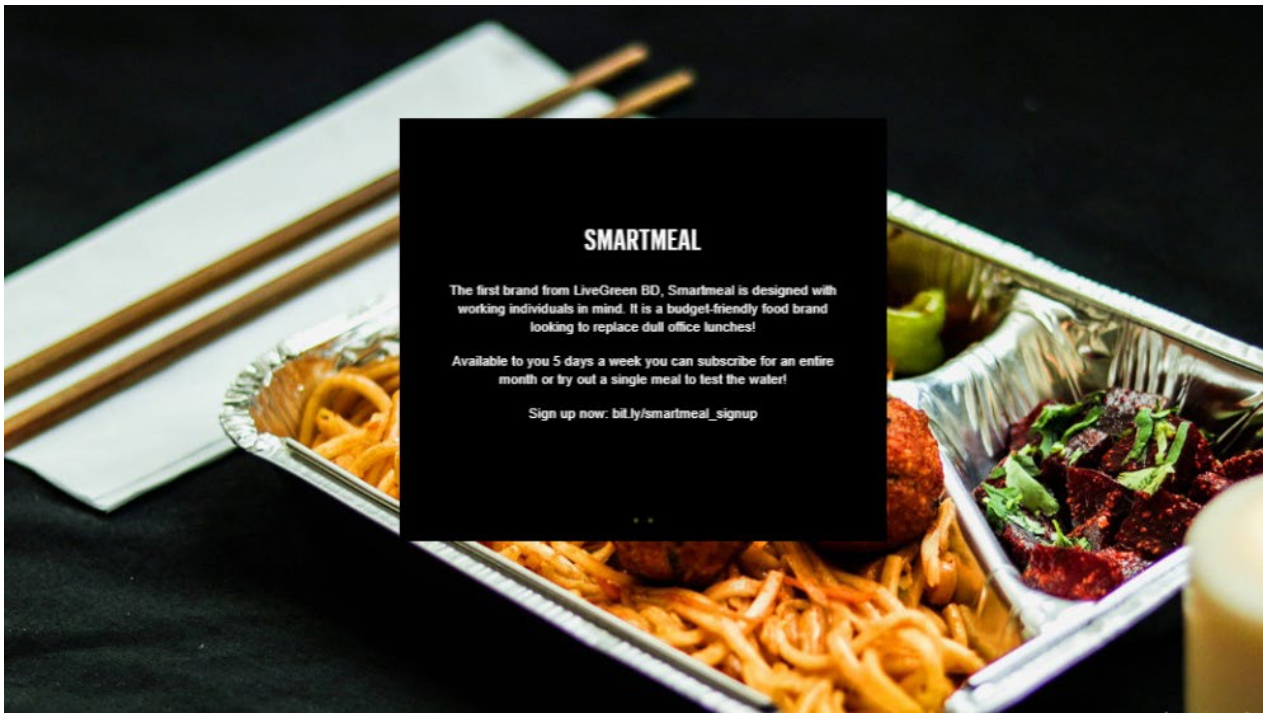
Smartmeal: The evolution of Smartmeal from an office goers daily lunch to a complete package for an individual took an exponential amount of work ethics and creativity. We put particular emphasis to be consistent with our service and quality. However, there is always room for improvement to develop products and services to satisfy our clients. So, we overcome each challenge to grow organic goods to produce and deliver with an in depth learning process.

MBR: Considering the Covid -19 situation, what are the difficulties you have been facing and how do you intend to recover or mitigate those?

Smartmeal: Our priority is the client and the team's health and safety. We followed the strict lockdown measures introduced by the government. In a global pandemic concerned world we took our time to find the right procedure and safety measures to reopen. As the primary response for Smartmeal started to grow, we used our platform to promote health and safety for a sustainable future.

MBR: What are the future plans for Smartmeal?

Smartmeal: Smartmeal is a home grown brand. However, the international interest has also opened a lot of new opportunities for us to explore new horizons. Short term goal is the expansion of all brands under LiveGreen BD and tailor Smartmeal for the South Asian market.



IDLC FINANCE ARRANGES KNOWLEDGE SHARING AND STRATEGY DEVELOPMENT SESSIONS WITH THE MARKET EXPERTS.

IDLC believes, continuous learning and updated knowledge base is the precondition to become a successful professional. Since banks and financial institutions are the heart and soul of a country's economy in order to overcome the damages caused by the pandemic, it is important for the market leaders of both banking and other industries to be on the same page and develop strategies together. Thus, every sector will be benefitted and our economy can achieve the desired V-shape recovery.

Keeping this in mind, the Corporate Division of IDLC Finance Ltd. has been arranging a series of knowledge-sharing sessions on different industries where the experienced market leaders discuss pandemic recovery strategies for their relevant industries and impart knowledge to the employees in leadership role of IDLC Finance Ltd.

First two sessions were on Bangladesh steel & re-rolling industry and RMG sector. Here, the key findings of those two intensive sessions will be discussed. All the sessions have been moderated by Mr. Mesbah Uddin Ahmed, General Manager and Head of Corporate Division, IDLC Finance Limited. Moreover, Honourable MD and CEO of IDLC Finance Ltd. Mr. Arif Khan along with honorable Deputy Managing Director and Head of Business, IDLC Finance Ltd. M. Jamal Uddin were also present in the sessions and ensured their valuable contributions in the discussions.

Bangladesh Steel & Re-Rolling Industry: Before & After The Covid-19

The first session was held on June 13, 2020 and the discussed topic of which was **"Bangladesh Steel & Re-Rolling Industry: Before & After The Covid-19".** As resource persons Mr. Sheikh Masadul Alam, Managing Director, Shahriar Steel Mills Ltd. (Former President Bangladesh Automatic Steel and Rerolling Mills Association) and Mr. Aameir Alihussain, Managing Director, BSRM Steel Ltd and Bangladesh Re-rolling mills Ltd. were present. In the session the resource persons shed lights on history, growth and present situation of the industry along with those challenges caused by pandemic, post pandemic scenario and possible way outs were also discussed.

- Steel & Re-rolling Industry a thriving sector of Bangladesh that supplies vital raw materials for country's infrastructural and structural development. From the beginning, this industry has been increasing capacity gradually in order to meet almost 100% of the domestic requirement. The industry's capacity is 7.5 Million MT/ Year against 5.5 million MT/Year demand. The industry employs nearly 1.00 million people directly or indirectly throughout the country.
- The industry strategically run on overcapacity for two factors. Firstly, seasonality effect: During the rainy season, the demand is comparatively lower than usual, and the need for steel products is much higher in the winter. Therefore, manufacturers keep the capacity matching the peak time demand in the market. Secondly, long forecast: It is not possible to increase the supply instantly following the rising demand in Bangladesh. It takes around 2-3 years to set up a new plant or to increase the capacity of any given factory to a large scale by doing proper planning, land acquisition, electricity and gas capacity improvement, and other time-

Mr. Sheikh Masadul Alam
Managing Director, Shahriar Steel Mills Ltd. and Former President of Bangladesh Automatic Steel and Re Rolling Mills Association

consuming activities. However, it is seen that the utilization is around 75% of total capacity.

- The pandemic of corona virus has also taken a toll on this industry, like all other businesses. Nevertheless, those factories that do bulk raw material procurement and had ample raw materials for the last quarter could operate their factories. Still, they had to suffer due to limited transportation, closure of retail outlets in significant sales hub across the country, and government stoppage of development works for a while.
- In April and May, the industry's overall capacity utilization came down to a 40% level, as many were running in a limited capacity, and others had to stop completely. However, it started to pick-up from the beginning of June with the demand increasing and the return of employees to the manufacturing plants.
- For raw materials, the manufacturers have to depend on the international market. A signification portion of the raw material (meltable scrap) is imported from Europe and America. However, the industry didn't face any supply chain disruption, and the local generation is fine so far. As the economies of the developing countries are reopening, it is expected that there won't be any such difficulty with procuring raw materials in the coming days as well.

Mr. Aameir Alihussain
Managing Director, BSRM Steel Ltd and Bangladesh Re-rolling mills Ltd.

- Although the business scenario seems to take time around 6 months to 1 year to reach the pre-COVID level, the experts think that different government moves may help them survive. Capping interest rate to 9.00% p.a. will decrease the financing cost of these industries. Additionally, in the next Fiscal Budget AIT for raw materials import will come down to 4%, which is a positive effect on cost.
- Often price fluctuation occurs for steel products in the market. Price of the steel raw materials like meltable scrap and iron ore play the primary role for this. However, major industry players are used to with this, and they follow necessary market intelligence to adapt to this price variability.
- Bangladeshi Steel Industry has the potential to export steels to some countries, especially to Seven Sisters of India. But due to embargo made through increasing the tariff by state governments in India has made this unfavorable. However, if the Bangladesh government offers incentives on export, it seems a viable option.
- Few big players (China-based Kunming Iron and Steel Holding Company, Japan's Nippon Steel and Sumitomo Metal, and India's TATA Steel) may enter the market, as reported in many national dailies. Due to the COVID scenario, the investment will be delayed by 1-

Mr. Faruk Ahmed
SEVP & Head of Trade Services Division, The City Bank Limited

Mr. Sharif Zahir
Managing Director, Ananta Group

M. Abdur Rahim (Feroz)
Vice Chairman, DBL Group

2 years because everyone's challenge now is to reach the pre-COVID level as soon as possible because cash flow management is an essential part of the business.

- Optimism has been seen among the business owners as they can run the factories, maintaining social distancing among the workers. The demand is increasing, and many obstacles to business are gradually ridding away after the countrywide lock down eases.

RMG Sector: The Impact of COVID-19 on the Life-line of the Economy and the Days Ahead

On June 29,2020 the second session titled **" RMG Sector: The Impact of COVID-19 on the Life-line of the Economy and the Days Ahead"** took place where as sponsors Mr. M. Abdur Rahim (Feroz), Vice Chairman, DBL Group and Mr. Sharif Zahir, Managing Director, Ananta Group were present. Moreover, Mr. Faruk Ahmed, SEVP & Head of Trade Services Division, The City Bank Limited was also present as representative of the banking sector.

- RMG sector accounts for 84.21% of Bangladesh's total export earnings which makes RMG the largest exporting sector as well as the biggest employer in Bangladesh. As of May, 2020, Global brands and retailers, who purchase clothing goods from Bangladesh, have cancelled & suspended work orders worth USD 3.17 Billion. It directly affected around 2.4 Million workers and the dependents of their income.
- The impact of Covid-19 in the RMG sector of Bangladesh started to be visible from the beginning of March,2020 and till now 350 factories were closed. In the session, the speakers showed concern over more factories to be shut down if the lockdown continues. Even though there are still some orders are being received due to the withdrawal of lock down in many countries, there is still a fear of second wave of transmission.
- As per Mr. M. Abdur Rahim (Feroz), Vice Chairman, DBL Group, around 19% negative growth in the export earning of RMG sector is the lowest in the history of BGMEA. He also mentioned that apart from order cancellation, not being able to avail the benefit of Taka 5,000 crore stimulus package for the export-oriented industries by the government is also responsible.
- Mr. Sharif Zahir, Managing Director, Ananta Group is optimistic about the situation getting better very soon. Since the stores are gradually opening around the world, the buyers will need new products. Moreover, considering the post Covid consumer buying behavior, there will be huge demand of cheap clothing and fortunately most of the products produced in Bangladesh falls under that category.

- Mr. Faruk Ahmed, SEVP & Head of Trade Services Division, The City Bank Limited on the other, predicts that there will be a liquidity crunch since the buyers have been deferring the payments. Moreover, now the buyers want to make payment after selling their products. To avoid such inconvenience, he suggests to introduce products like export credit insurance, factoring etc. The industry experts also agreed that they will need new financial products in order to cater such changed payment pattern of the buyers.
- The market experts believe that Bangladesh has a potential of huge market expansion in near future since China is planning on relocating their RMG business. Although, Vietnam is considered to be the strongest competitor here but Bangladesh is in more strategically preferable position to grab that market. It is because the wage in Vietnam is rising and this sector of Vietnam is not as concentrated as Bangladesh. Thus, Vietnam is more of a temporary solution for China but in the long run Bangladesh is more preferable.
- This is the high time for Bangladesh to reap the benefit out of the investments it has made in order to ensure compliance in last couple of years. Moreover, all the good sides of the industry have to be communicated to the international buyers. For instance, having highest numbers of green factory, paying salary through MFS during lockdown etc.
- The buyers will now try to choose comparatively stronger and efficient factories since the lead time is decreasing which is a threat to the comparatively mediocre factories. Thus, the factories need to increase their efficiency. Moreover, a huge part of SME sector is related to this RMG sector which also needed to be taken care of.
- Innovation, speedy acceptance of the new technologies and new normal norms are also necessary. For example, e-commerce is the rapidly growing platform worldwide but most of the manufacturers of Bangladesh are not aligned with it. Moreover, some policy modification is also necessary in accordance to the new normal.
- MD and CEO of IDLC Finance Ltd. Mr. Arif Khan emphasized on working together in this pandemic situation considering everyones' limitations. He also stated that openness in mind and scope of discussion are very important in such situation.

Session on RMG Sector: The Impact of COVID-19 on the Life-line of the Economy and the Days Ahead

COSPACE DHAKA

Fahad Ibna Wahab Founder and Managing Director of CoSpace Dhaka in an insightful conversation discussed his journey, current activities and future plans with Bonnishikha Chowdhury of MBR Team.

Fahad Ibna Wahab
Founder and Managing Director of CoSpace Dhaka

After completing his HSC from Mymensingh, Fahad Ibna Wahab moved to Dhaka in 2013 to get admitted into a university just like most of the young adults of the country. However, he had a different vision. Fahad wanted to be fully self-sufficient but did not like the idea of waiting for four years of academic degree to achieve so. That thrive derived him to establish his first venture Rapid Mail but somehow it had to be stopped after one year of operation. However, it could not stop Fahad. He gained work experience of a year and then founded Movians and MUV Asia. While working for his ventures he recognized, every time the number of team members were increasing he had to change offices and relocate to a comparatively bigger place and that is when the magic happened. He realized it cannot be only him who is suffering from such problem. Moreover, relocating office requires a good amount of investment and the bigger the place the higher the investment will be. He thought, it will be nice to have a place where people can just go and work without the tension of managing that place or without any initial investment which made him to take the initiative to found CoSpace Dhaka in 2019.

The basic idea of CoSpace Dhaka is to rent a commercial space, renovating it and then letting others to use it in exchange of a service charge. They basically provide three types of services. The first one is virtual office where the subscribing organization can use the address of CoSpace Dhaka as their official address. In this case, CoSpace Dhaka will store the mails for the clients. The other two are open working spaces and private cabins for different numbers of people. For both open space and cabin monthly subscription and day pass are offered. Currently, CoSpace Dhaka can offer office spaces in two locations of Banani accommodating around 200 people in each site.

Since this co working or flexible working place is a new concept for our country, Fahad received a mixed a response. People often used to wonder, why to rent such co space when they can rent a flat with that amount of money. However, the unique selling point is, there will be no initial investment.

The users do not have to worry about managing their work place. From electricity, internet, cleaning to canteen; everything will be taken care of by CoSpace Dhaka. However, to educate the market, Fahad took various initiatives like free trials, sharing articles, videos etc. Currently CoSpace Dhaka is serving around 23 organizations of different team sizes and there are individual clients too. Fahad believes with the technological advancement and increasing internet users there will be more remote offices which inspires him to increase the branches of CoSpace Dhaka in various areas. However, lack of space is one of the major challenges in this business. To scale up their client base CoSpace Dhaka is initiating to launch an enterprise solution package where they will find the enterprises suitable office space, decorate it and also will manage it as per the client's requirement.

The country wide shutdown period for Covid -19 was a tough time for CoSpace Dhaka too since rents and bills had to be paid. However, vendors helped each other here by deferring the bills. On the other hand, there is a silver lining too. Now people are more interested in shifting to a co working space solution rather than having a fixed office and remote offices are gaining more popularity. By using this as an opportunity Fahad and his team of five members want to make CoSpace Dhaka more accessible to the people in future

IDLC Investments wins "Bangladesh's Best Investment Bank" for the third consecutive time

IDLC Investment won "Euromoney Awards for Excellence" for the third time in a row as the "Best Investment Bank in Bangladesh".

IDLC Investments has been awarded by Euromoney for its ability to adapt and tailor its offerings in adverse conditions, superior financial performance compared to peers, unique deals, its legacy of delivering tailored and innovative solutions to local and international clients across a range of products and services.

Established in 1992, Euromoney's Awards for Excellence is the first of its kind in the global banking industry. IDLC has been awarded for the same award in 2017, 2018 as well, this is the third consecutive win in this category.

IDLC's strength lies in its adaptability to change and also its commitment to creating a lasting impact on the society through various business efforts. Winning this award for the third time in a row reiterates our merchant bank's continued leadership in the investment banking landscape of the country.

Arif Khan
CEO and Managing Director
IDLC Finance Limited

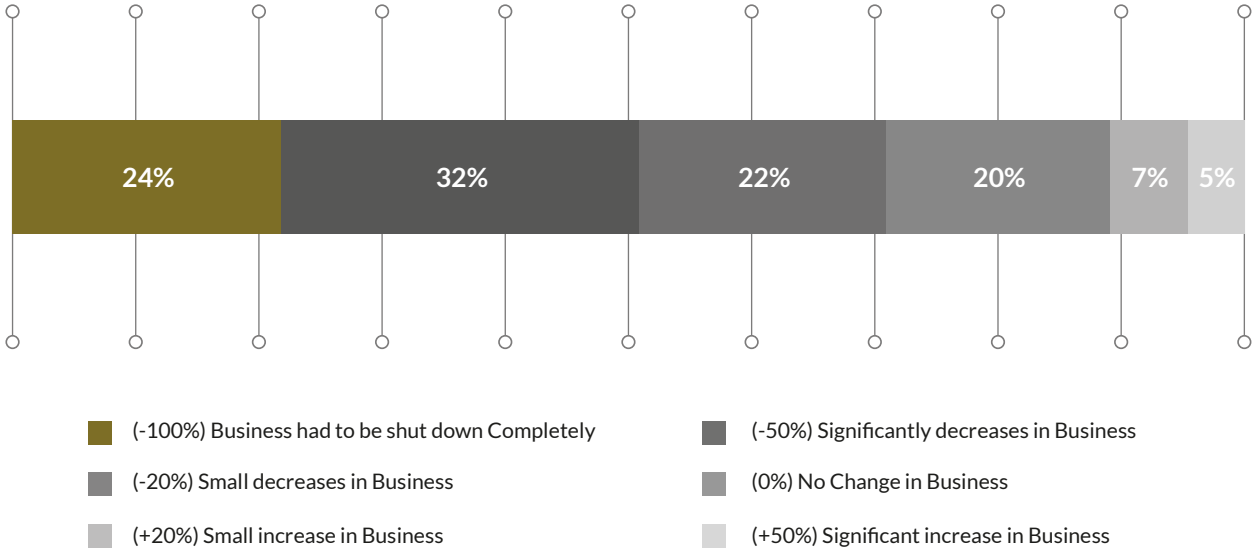
IMPACT OF COVID -19 ON THE STARTUP ECO-SYSTEM OF BANGLADESH

Md. Delowar Hossain
Credit Risk Management- SME

Bangladesh has been facing the heat of the COVID-19 pandemic since March 2020. Most of the businesses were shut down because of lockdown and the country's business ecosystem was in limbo. The sustainability of thousands of startups were also threaten which wear deemed to create millions of jobs opportunities. Not only Bangladesh but also around the world, most of the startups either shut down or laid off the staff because of Covid-19 pandemic. There are lots of startups that raised lots of money with the promise of high growth in market which are facing the difficulties to sustain in the market. Whatever, there is the high possibility that Bangladeshi startup can pivot their business in the coming years because of government strategy to uphold the economy.

The most promising sectors like fintech, healthtech, edutech and deep tech are not invulnerable from the effects of the pandemic. A survey conducted by Light Castle on Covid-19 impact on startups of Bangladesh during this uncertain times presents that there has been a drastic fall down of their business activities. 32 percent business reported a reduction of their business by 50 percent while 24 percent startups are completely shut down.

Covid 19 Impact on startup



Source: LightCastle Partners

The startups with apparel and tourism are hardest during Covid-19 pandemic in Bangladesh. On the other hand, education, finance, and healthcare sectors have experienced an initial blow but has the possibility to recover partially as consumers have more demand on their products and services.

Although the logistics sectors have reported 20 percent of loss in revenue, there is the possibility to bounce back their holdings by altering the operation plan like moving to e-commerce platform. During the lockdown, some of the e-business sector players have reported that they have increased a gain around 50 percent of their business.

According to the Venture Capital and Private Equity Association of Bangladesh (VCPEAB), there are around 300 startups that have the fear to loss their sales by more than $53 million. Beside this, the startup having export oriented income have faces 80 percent of fall in sales recently. Around 150,000 people, directly related with the startups, were on the line where now there are only 700,000 service provider associated with startups most of whom are not in the position to provide service either.

Each startup is different and needs to customize its survival strategy based on its market offering and value proposition. For example, Edutech startup promote their professional courses as "skills you need to develop to survive in a post-corona world" through digital media.

Each startup is different and they always think to be more customized by offering good value proposition in the market. As recently, most of the startup adopting the digital platform to catch up customers, they are moving on with sustainable strategy. However, the world is moving on the digital platform because of current situation. Therefore, they need to formulate the strategic planning and may require 12-18 months to come in full-face business. Based on the industrial survey and interviews conducted by the Business Standard with experts, some measures that might help the startup to navigate are given below:

1. **Realizing the business to deal with crisis:** Here, the CEOs need to ask the question themselves about what the burn rate and runway is now. The founders need to look into Key Performance Indicators (KPI) including debt to income ration, monthly gross expense, and revenue to employees ration before shaping the runway. They have to evaluate the current performance and predicate the organization's cash flow to recover the losses. Here, they need to come up with strategic planning rather looking for traditional demand and sale forecasting module.

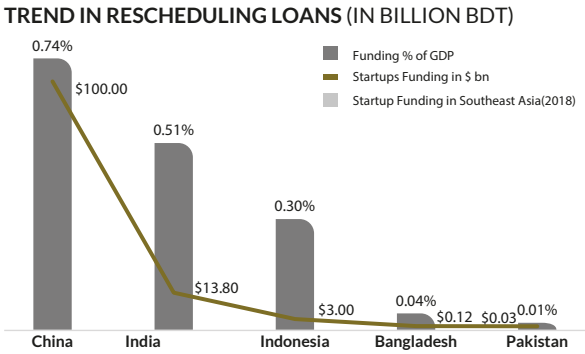
2. **Look for alternative finding sources to survive rather than drying up** - As the most important issues is money for survival, they need to search for fund with alternative channels. Many startups will fail, unless they are able to solve their immediate cash flow deficit. The Covid-19 crisis has put the startup ecosystem at the brink of collapse.

3. **To spend or not to spend** - Globally, the startups are more pointing on the budgets. As Bangaldesh is not in the different situation, startups need to focus on this. Many start up can reduce their real-easte cost by working from home and reduce other indirect operational costs. By the ways, the startups needs to think to send or not to spend on particular objectives.

4. **Human resources management:** Fundamental Decision: As in most of the cases the operational cases remain same, it become hard for the startups to continue with regular employees if revenues drastically reduces. However, in some extent, they can cut a portion of employees' salary rather than laying off. It's necessary to survive in the market rather than leave from market.

Government support is quite essential for the growth of startups in the country. In the Covid-19 pandemic situation, it is most essential to get the help to sustain in the market. The already low Startup Funding State of Bangladesh (GDP 10x lower than India), (GDP 50x lower than China) - is at stake due to COVID-19. In the following graph, the investment of Bangladeshi Government on startups is compared along with other south-Asian countries:

Graph Title : Startup Funding in Southeast Asia (2018)



Source: LightCastle Partners

Major Startups Eco-system during Covid-19

As consumers are enjoying online shopping more than before, the proportion of online business has steadily increased over the years in Bangladesh. The system has created new ways to reach customers closely. The growth has created more opportunities to explore new windows in the digital commerce platform like Chaldal, ShopUp, Gaze, Shoze, Pathao, and others.

Because of the Government-declared public holiday period to limit the spread of Covid-19, public transportation has fully stopped. Therefore, ride-sharing companies have to suffer loss. Although the demand for orders in online platforms related to grocery and medicine has increased, the ride-sharing companies experience the worst.

Chaldal is a Dhaka-based online grocery startup. It is one of the companies playing a critical role in keeping household grocery demands fulfilled by ensuring the highest safeguard. During the pandemic, the demand for orders increases hugely. According to the Chadal web information, currently, the company delivers over 4000 orders per day and it has created more than 600 new jobs during the Covid-19.

ShopUp initiated in 2016 is the online one-stop platform for online business. The main objective is to bridge the information gap between online small business and microfinance institution. To justify the creditworthiness of the small business, the system utilizes data from 25 different sources. As per the information reported on ShopUp website, they have supported over 60,000 entrepreneurs to grow their businesses.

Gaze is a Singapore and Bangladesh-based startup initiated on artificial intelligence. According to the Future Startup, It has elevated $830,000 as a seed funding for its API platform. The main objective of this platform is to integrate the visual recognition technology into any software system. Gaze has a team around 23 who are giving effort from different areas of the world.

Since the pandemic, the ride-sharing services have stopped their operation in Bangladesh. The companies including Pathao, Uber, and Sohoz are altering their service to home delivery of medicine and groceries as the demand increase in this sector although their major services are transportation-related. As per the report published by the Business Standard, they had to cut off their employees' salaries rather than cut off any jobs. The main reason of initiating the strategy by the ride-sharing companies is the reduction of their revenues

As it becomes easy for the online platform to expand its business operation, the online platform shift to the new strategies to sustain in the market. Pathao has focused on courier deliveries, foods, groceries, and medicine supplies. Along with Pathao, another online platform including Sohoz is following the same strategy.

Although the situation is improving slowly, the ride-sharing has started its main operation in limited scales. New online businesses are creating day by day as people are more relying on the online shop. The startups need to become more inclusive and start to create more socially impactful work for positive economics. The activities of startups would be more critical for equitable growth.

Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market closed the month of July in positive territory. During the month, the broad index DSEX rose by 5.6%, gaining about 225.3 points. The blue chip index DS30 and the Shariah index DSES also increased by 5.9% and 5.6%, respectively.

Among the regional peers, Pakistan's index also closed in the positive territory, increasing by 14.1%, whereas Sri Lanka and Vietnam's index declined by 0.5% and 3.2% respectively. Additionally, the MSCI Frontier Markets Index also decreased by 2.4%. Over the long term, only Vietnam showed the most encouraging track record with a 5 years' return of 27.4%.

Table 1: Equity market performance in Bangladesh and peer countries

Indices	Index Points, June, 2020	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	4,214.4	5.6%	5.1%	-5.4%	-22.3%	-27.4%	-12.1%
DS30	1,420.6	5.9%	6.7%	-6.1%	-26.4%	-33.2%	-24.6%
DSES	976.5	5.6%	6.1%	-2.3%	-21.5%	-25.5%	N/A
Peer Countries							
Pakistan (KSE 100)	39,258.4	14.1%	15.1%	-3.6%	15.8%	-14.5%	9.9%
Sri Lanka (CSE - All Share)	5,124.3	-0.5%	12.1%	-16.4%	-4.6%	-23.1%	-30.1%
Vietnam (VNI)	798.4	-3.2%	3.8%	-16.9%	-16.0%	2.7%	27.4%
MSCI Frontier Markets Index	**623.8**	**-2.4%**	**3.7%**	**-18.7%**	**-14.7%**	**-13.5%**	**-8.5%**

*All returns are Holding Period Return

Source: Investing.com, MSCI, DSE

Liquidity Condition in Equity Market of Bangladesh

During July, the total market capitalization increased by 4.4%, while free float market capitalization also increased by 5.8%. The daily average turnover of July 2019 was BDT 2.9 bn (USD 33.7 mn), increasing by 31.5% from that of last month. Accordingly, turnover velocity which represents overall liquidity of the market increased to 22.1% in July compared to 18.4% of last month. In 2019, turnover velocity of Bangladesh equity market was 33.5%, in comparison to 34.4% in 2018.

Table 2: Market capitalization and turnover statistics

Particulars	31-Jul-20	30-Jun-20	% change
Total market capitalization (USD* mn)	38,412	36,789	4.4%
Total equity market capitalization (USD mn)	31,541	29,919	5.4%
Total free float market capitalization (USD mn)	12,915	12,209	5.8%
Daily Avg. Turnover (USD mn)	33.7	25.6	31.5%
Turnover Velocity~	22.1%	18.4%	N/A

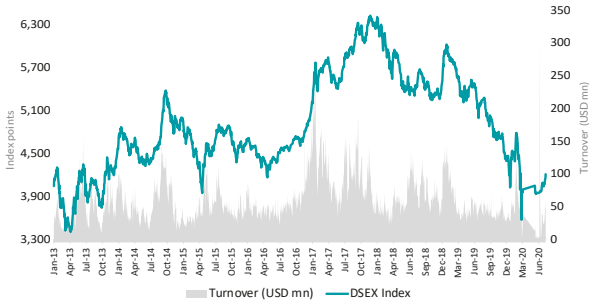
*All USD figures are converted using an exchange rate of 84.80 as of July 31, 2020 as per Bangladesh Bank website.

~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 January 27, 2013, DSEX yielded a holding period return of 3.9% till July, 2020. During the same period, daily average turnover of the market amounted to BDT 5.3 bn (USD 62.2 mn) (Figure 1).

Figure 1: DSEX since inception along with market turnover



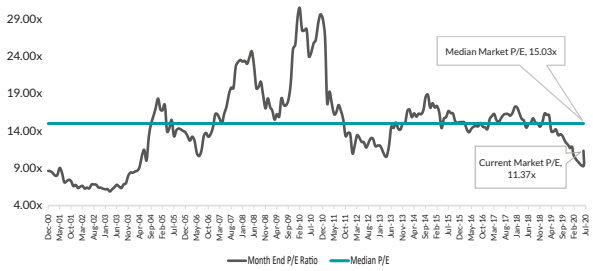
Source: DSE

Market Valuation Level - P/E Ratio:

The market P/E increased to 11.37x in July compared to last month's 9.30x. It is also way lower than the 19 years' median market P/E of 15.03x (Figure 2). In terms of trailing 12 month P/E ratio, the equity market of Bangladesh is the cheapest among its regional peers. (Figure 3).

Figure 2: Historical market P/E* and it's median

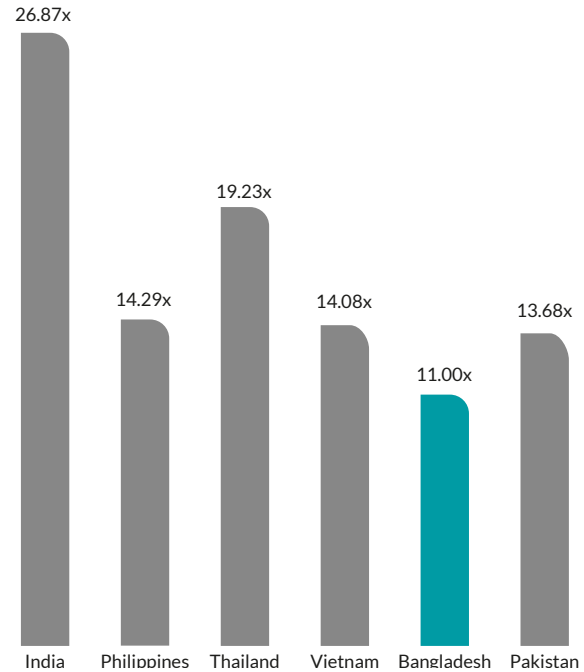
Current Market P/E in Context of History



*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



*Trailing 12 month P/E as of July 31, 2020.

Source: IDLC, Bloomberg

Sector Performance

During July, all the sectors, except one, yielded positive returns. Among the major sectors Telecommunication, Pharmaceuticals & Chemicals and Textile yielded the most positive returns of 8.5%, 6.5% and 5.1% respectively, while Food & Allied yielded the lowest positive return of 1.8%.

The largest sector in terms of market capitalization, Bank is relatively undervalued in terms of P/E ratio. On the other hand, Fuel & Power sector has the highest dividend yield of 6.2% 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			
Bank	5,452	3,092	4.8%	5.8%	-9.3%	-16.6%	-19.0%	48.5%	6.7	0.5	5.2%
Pharmaceuticals & Chemicals	5,830	3,019	6.5%	9.2%	6.5%	-1.0%	8.1%	31.5%	10.0	10.3	2.3%
Telecommunication	4,319	465	8.5%	8.7%	-7.8%	-18.7%	-21.9%	-3.4%	14.5	2.2	4.9%
Fuel & Power	4,365	1,188	3.5%	4.2%	-0.8%	-17.0%	0.5%	6.3%	11.2	1.2	6.2%
Food & Allied	2,501	913	1.8%	1.8%	-1.5%	-22.6%	-9.8%	-2.2%	14.3	5.1	3.9%
Engineering	1,589	824	2.2%	2.2%	-8.3%	-26.2%	-29.6%	-2.0%	14.9	1.1	2.9%
NBFI	1,507	454	4.2%	4.0%	-7.7%	-19.5%	-43.9%	-5.4%	12.1	1.4	2.6%
Textile	1,187	677	5.1%	5.0%	-5.6%	-19.0%	-13.6%	25.4%	14.5	0.7	2.7%
Miscellaneous	1,115	288	3.1%	3.1%	-2.1%	-11.0%	-0.3%	33.2%	19.3	1.1	2.4%
Cement	859	355	1.3%	0.4%	6.2%	-13.2%	-43.3%	-61.1%	21.7	1.9	2.1%
Life Insurance	677	303	15.1%	15.7%	-6.4%	-6.3%	26.0%	37.3%	15.4	7.0	1.6%
Non-Life Insurance	671	385	42.7%	43.3%	16.2%	20.6%	53.9%	126.4%	13.6	1.2	3.0%
Ceramics	234	94	0.3%	-0.8%	-11.9%	-15.8%	-26.5%	-32.2%	39.2	1.3	3.5%
Tannery	210	103	0.0%	-0.1%	-8.0%	-30.1%	-36.2%	-23.1%	50.7	1.6	2.0%
Travel & Leisure	293	152	0.0%	-0.7%	10.5%	7.7%	16.0%	39.8%	25.9	0.7	2.7%
IT	257	161	11.2%	10.5%	-2.4%	-5.9%	25.0%	233.8%	29.7	1.1	1.3%
Services & Real Estate	165	85	6.5%	6.4%	2.9%	-11.2%	-43.7%	-38.2%	12.4	0.8	3.3%
Paper & Printing	114	41	0.2%	0.2%	-2.1%	-23.3%	289.0%	299.5%	18.6	1.9	2.8%
Jute	21	13	-1.0%	1.6%	-30.5%	-51.8%	6.6%	135.6%	41.2	5.3	1.4%
Market	**31,335**	**12,596**	**5.6%**	**5.1%**	**-5.4%**	**-22.3%**	**-27.4%**	**-12.1%**	**11.1**	**1.2**	**3.9%**

*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 excluding companies trading at an annualized P/E greater than 80.0x.

^P/BV is calculated by dividing total market capitalization of listed companies with their 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 July, all cap classes yielded positive returns. Among them, the large cap was the highest dividend yielding (4.6%) class.

Table 4: Performance of different market cap classes

Cap Class	Market Capitalization of Constituent Companies (USD mn)	% of Total Equity Market Capitalization	Return*						P/E (x)	P/BV (x)	Dividend Yield^
			1M	3M	YTD	12M	3Y	5Y			
Large	≥119	78.6%	5.2%	5.9%	-5.0%	-18.8%	-13.5%	5.0%	10.6	1.2	4.6%
Mid	36-118	12.1%	3.8%	5.4%	-0.7%	-6.5%	-13.7%	11.1%	12.5	0.9	2.6%
Small	12-35	7.7%	7.6%	5.8%	2.7%	-11.2%	-20.0%	15.3%	16.4	0.8	2.8%
Micro	<12	1.7%	11.5%	11.7%	0.9%	-9.4%	-17.9%	14.1%	18.3	0.4	1.2%
Market	**-**	**-**	**5.6%**	**5.1%**	**-5.4%**	**-22.3%**	**-27.4%**	**-12.1%**	**11.1**	**1.2**	**3.9%**

*All returns are Holding Period Returns

Performance of 20 Largest Listed Companies in Bangladesh

Among the 20 largest listed companies in terms of market capitalization, BXPHARMA (+16.6%) advanced the most in July, followed by MJLBD (+15.6%) and OLYMPIC (+14.0%). GLAXOSMITH (-1.1%) faced the highest selling pressure during the month.

Majority of these companies yielded outstanding return over longer time horizon (5 years) such as NATLIFEINS (+140.5%), EBL (+119.8%), DUTCHBANGL (+87.6%), and BRACBANK (+60.5%).

Among the scrips, SUMITPOWER, TITASGAS, EBL, MJLBD, MARICO, ISLAMIBANK, UPGDCL, DUTCHBANGL, GP and BATBC recorded a 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	Telecommunication	4,116	412	2.00	8.2%	8.2%	-8.2%	-18.8%	-22.1%	-2.8%	9.7	12.0	5.0%
BATBC	Food & Allied	1,927	510	5.86	0.0%	0.0%	-2.3%	-23.0%	-3.2%	-0.9%	13.6	5.0	4.4%
SQURPHARMA	Pharmaceuticals & Chemicals	1,802	1,179	1.59	4.9%	4.9%	-4.7%	-21.4%	-17.8%	8.3%	10.9	2.2	2.2%
UPGDCL	Fuel & Power	1,368	137	0.16	0.0%	0.0%	-10.2%	-42.2%	71.5%	N/A	18.5	4.4	5.4%
RENATA	Pharmaceuticals & Chemicals	1,147	560	1.30	6.9%	6.9%	0.1%	3.9%	43.7%	52.5%	23.9	4.9	0.8%
BERGERPBL	Miscellaneous	716	36	0.03	2.3%	2.3%	-3.1%	-7.8%	29.6%	59.9%	25.1	8.3	2.3%
ICB	NBFI	648	21	0.04	4.7%	4.7%	-6.8%	-25.8%	-53.4%	-23.9%	(86.6)	5.8	0.0%
MARICO	Pharmaceuticals & Chemicals	632	63	0.26	8.9%	10.2%	4.8%	6.0%	91.4%	49.0%	13.4	29.1	5.6%
LHBL	Cement	492	174	0.34	0.0%	-0.3%	9.8%	-7.5%	-37.2%	-69.3%	24.6	2.7	2.8%
SUMITPOWER	Fuel & Power	492	181	0.44	11.4%	9.2%	11.7%	12.4%	24.6%	42.4%	7.2	1.3	9.0%
BRACBANK	Bank	499	278	0.09	0.0%	9.9%	-38.6%	-44.3%	-42.6%	60.5%	12.1	1.1	2.2%
OLYMPIC	Food & Allied	404	292	0.21	14.0%	14.0%	3.8%	-20.8%	-35.2%	-13.3%	16.6	4.7	2.8%
BXPHARMA	Pharmaceuticals & Chemicals	386	335	3.32	16.6%	32.9%	16.3%	-0.2%	-24.1%	30.0%	9.3	1.1	1.9%
TITASGAS	Fuel & Power	362	90	0.08	4.4%	3.7%	0.3%	-11.5%	-26.4%	-44.9%	11.0	0.4	8.4%
ISLAMIBANK	Bank	344	175	0.05	9.1%	13.0%	-0.1%	-15.9%	-41.6%	6.0%	4.7	0.5	5.5%
DUTCHBANGL	Bank	335	44	1.04	0.0%	9.0%	-10.1%	-5.3%	26.0%	87.6%	6.6	1.1	5.3%
NATLIFEINS	Life Insurance	332	76	0.02	12.8%	14.3%	-7.1%	2.0%	97.5%	140.5%		21.4	0.7%
GLAXOSMITH	Pharmaceuticals & Chemicals	307	29	0.20	-1.1%	5.7%	26.6%	43.6%	63.5%	21.1%	41.0	23.1	2.4%
EBL	Bank	296	202	0.06	0.0%	7.4%	0.6%	-10.0%	3.3%	119.8%	7.5	1.0	8.1%
MJLBD	Fuel & Power	279	80	0.07	15.6%	14.5%	18.2%	-10.1%	-25.5%	-7.3%	11.4	1.9	6.0%
Market		**31,335**	**12,596**	**33.70**	**5.6%**	**5.1%**	**-5.4%**	**-22.3%**	**-27.4%**	**-12.1%**	**11.1**	**1.2**	**3.9%**

*All returns are Holding Period Return.

^Five years' return is not available for UPGDCL as they were not listed then.

Top Performing Mutual Funds:

The top ten open end mutual funds based on 3 year CAGR outperformed the market, during the same period. Among them, CAPM Unit Fund (+5.7%) yielded the highest return. On YTD 2020 basis, all the funds generated mixed returns. Third ICB Unit Fund (3.8%) generated the highest returns.

Table 6: Top ten open end funds based on 3Y return (CAGR) performance

Name	Asset Management Company	Fund Size (USD mn)	NAV Return		
			2020 YTD*	2019	2017-2019
CAPM Unit Fund	CAPM	1.4	2.2%	-7.3%	5.7%
VIPB Accelerated Income Unit Fund	VIPB	6.9	-7.6%	-4.6%	5.4%
Seventh ICB Unit Fund	ICB	3.9	-4.4%	-7.8%	3.8%
ATC Shariah Unit Fund	ATCP AML	1.4	-3.6%	-10.8%	3.2%
LankaBangla 1st Balanced Unit Fund	LankaBangla	4.2	2.6%	-8.0%	2.6%
Sixth ICB Unit Fund	ICB	2.6	-4.1%	-8.4%	2.4%
MTB Unit Fund	Alliance	9.0	-1.5%	-0.9%	1.7%
UFS-Popular Life Unit Fund	UFS	8.1	-4.2%	-9.0%	1.6%
Third ICB Unit Fund	ICB	3.2	3.8%	-8.2%	1.1%
Peninsula AMCL BDBL Unit Fund One	Peninsula	2.2	N/A	-7.7%	0.9%
Market (Broad Index) Return (%)			**-4.6%**	**-18.0%**	**-4.3%**

*Based on published NAV and DSEX point of July 30, 2020

The top ten closed end mutual funds on the basis of 5 years (2015-2019) performance yielded negative returns on YTD basis. AIBL1STIMF (-0.5%), RELIANCE1 (-1.3%), and GRAMEENS2 (-1.5%) yielded the least negative returns. All these funds are traded at a lucrative discount compared to their NAV. Besides, all the funds also offered higher dividend yields compared to market (Table 7).

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]
							2020 YTD	2019	2017-19	2015-19	
NLI1STMF	VIPB	6.8	9.8	11.5	85.0%	13.3%	-8.1%	-4.5%	5.0%	9.7%	2023
SEBL1STMF	VIPB	12.7	9.3	10.8	86.2%	12.9%	-8.0%	-4.4%	4.7%	8.7%	2030
ATCSLGF	ATC AML	7.3	6.9	10.0	68.7%	10.9%	-7.0%	-8.1%	4.1%	7.5%	2020
EBL1STMF	RACE	16.1	4.1	9.4	43.6%	7.3%	-5.3%	-5.0%	4.4%	6.8%	2029
PHPMF1	RACE	31.4	4.2	9.5	44.4%	7.1%	-5.0%	-3.5%	4.7%	6.2%	2030
RELIANCE1	AIMS	7.9	8.2	11.1	73.8%	12.2%	-1.3%	-6.6%	3.8%	6.2%	2029
GRAMEENS2	AIMS	34.7	11.4	16.1	70.7%	7.9%	-1.5%	-7.1%	4.5%	6.0%	2031
1JANATAMF	RACE	32.7	4.1	9.6	42.8%	7.3%	-5.0%	-4.0%	3.5%	5.8%	2031
POPULAR1MF	RACE	33.8	4.2	9.6	43.8%	7.1%	-4.8%	-4.6%	3.8%	5.8%	2030
AIBL1STIMF	RACE	11.1	6.9	9.4	73.5%	11.6%	-0.5%	-6.4%	2.1%	5.3%	2030
Market						**3.9%**	**-4.6%**	**-18.0%**	**-4.3%**	**-1.9%**	

1 Price as of August 03, 2020, and NAV published on July 30, 2020.

2 On last cash dividend declared.

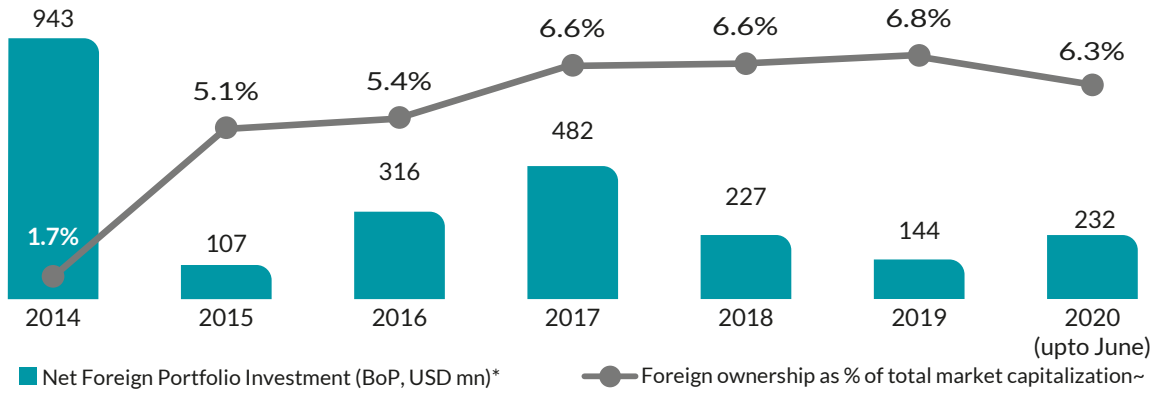
3 CAGR computed for respected periods, except for 2019 and 2020 YTD, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

4 In reference to BSEC Press Release বিএসইবস/মুখপাত্র (৩য় খন্ড)/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 surge of foreign investment. As of June, 2020 total foreign ownership stood at 6.3% of the total equity market capitalization, which was only 1.7% in 2014.

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



Source: DSE and Bangladesh Bank
*Net portfolio investment data are as of December of the respective years, except 2020.
~% of foreign ownership of equity market capitalization data are as of December of the respective years, except 2020 (as of June).

Among all the companies with foreign ownership, BRACBANK had the highest foreign shareholding of 42.4% as of June 2020, followed by DBH with 40.9%.

Table 8: Top ten companies with highest foreign shareholding as of June 2020

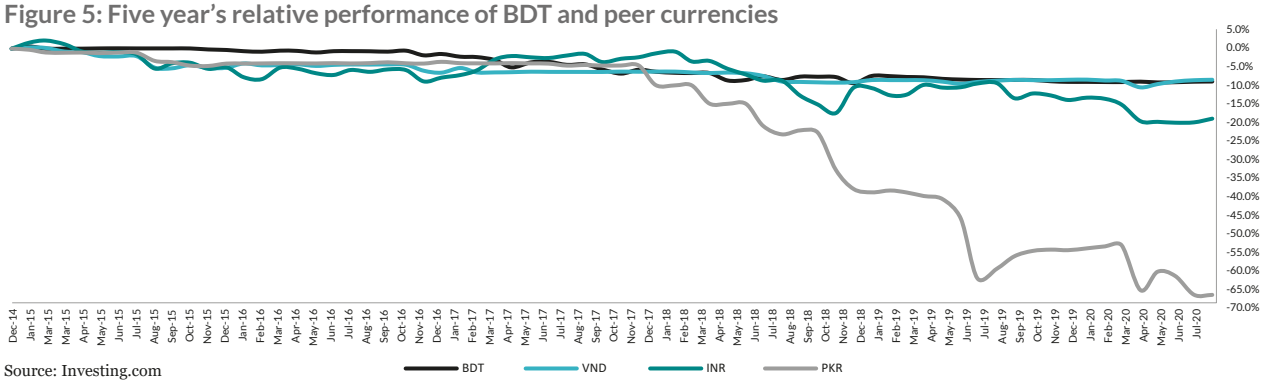
Ticker	Sector	Foreign Shareholding*
BRACBANK	Bank	42.4%
DBH	NBFI	40.9%
OLYMPIC	Food & Allied	40.2%
BXPHARMA	Pharmaceuticals & Chemicals	36.3%
ISLAMIBANK	Bank	23.3%
RENATA	Pharmaceuticals & Chemicals	22.8%
MLDYEING	Textile	21.9%
SHEPHERD	Textile	18.8%
SQURPHARMA	Pharmaceuticals & Chemicals	18.6%
VFSTDL	Textile	18.3%

Source: DSE
*Latest Data for Foreign shareholding available on DSE are as of June 2020.

Performance of BDT and Currencies of Peer Countries against USD

Since 2015, BDT retained its value better than majority of the currencies of peer countries. While BDT depreciated by 8.9% against US Dollar, other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) lost 8.4%, 18.9% and 66.3%, respectively.

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



Source: Investing.com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