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IDLC MONTHLY

BUSINESS

REVIEW

**JUTE INDUSTRY
OF BANGLADESH**
RECLAIMING THE LOST GLORY


IDLC
Finance Limited
financing happiness

POWERING THE COUNTRY'S FINANCIAL PROGRESS

**FOR THE FIRST TIME IN BANGLADESH
BDT 10 BILLION FUNDS HAVE BEEN RAISED BY IDLC FOR
NORTH-WEST POWER GENERATION COMPANY LIMITED**



Proceeds of the BDT 10 billion coupon bearing non-convertible bond will be used to establish 2 (two) power plants of 4,920 MW at Payra in Patuakhali District.

Arranger:
IDLC
Finance Limited
financing happiness

Issuer:

NORTH-WEST
POWER GENERATION
COMPANY LIMITED

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contents



03

Economy at a Glance

04

Month in Brief

05

For the Record

06

World Economic Indicator

07

Banking Data Corner

08-09

Research in Focus

10-12

Spotlight on Startup

- Circle FinTech

13-20

Cover Story

**JUTE INDUSTRY OF BANGLADESH:
RECLAIMING THE LOST GLORY**

Jute was popularly termed as a golden fiber as it was one of the prominent cash crops of Bangladesh. Jute had been produced in Bengal since ancient times, but prior to 1855 the fiber was locally used by the handloom weavers to make twines, ropes and coarse fabrics for the poor. Bangladesh alone met the 70-80% of world jute demand till 1948 which fell down to 25% in 1975. In the financial year of 1972-73, jute and jute goods contributed around 92% in our total export earnings.

21-22

Expert Opinion on
Cover Story

- **Shyam Sunder Agarwala**
Owner, Natore Jute Mills

23-24

Exclusive Feature

- **Fourth Industrial Revolution
and Its Impact on Financial
Institutions**

25-27

Expert Opinion on
Exclusive Feature

- **Mir Tariquzzaman**
GM & CTO, Information
Technology Division
IDLC Finance Limited

28

IDLC News

29-30

New Idea

- Onethread

31-36

Capital Market Review

FROM THE

EDITOR



Jute Industry of Bangladesh: Reclaiming the Lost Glory

On March 6th, 2022, the country observed National Jute Day. The Ministry of Textile and Jute celebrated this day with the slogan 'Sonali Asher Sonar Desh, Paribesh Bandhab Bangladesh'. Although this industry has lost much of its glory off late, as it has been battered by factors such as lack of diversification, inadequate local demand, mismanagement, corruption, etc., jute, which was synonymously referred as 'the golden fiber' is still the second export earning sector next to RMG. The sector has an average contribution of 3% in our export earnings and 1% in GDP. The demand for high-tech jute goods across

the globe is huge and at times when the world environmentalists are echoing for environmental sustainability, jute can be a potential game-changer for our economy, if the industry can flourish to its potential. The jute industry of Bangladesh will get its glorious days back, if right focus and government support is given to this industry.

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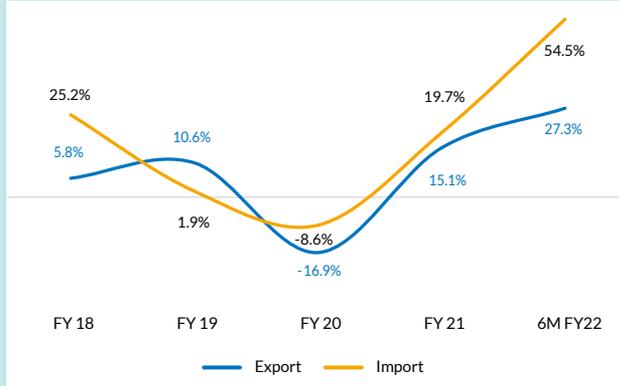
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ECONOMY AT A GLANCE

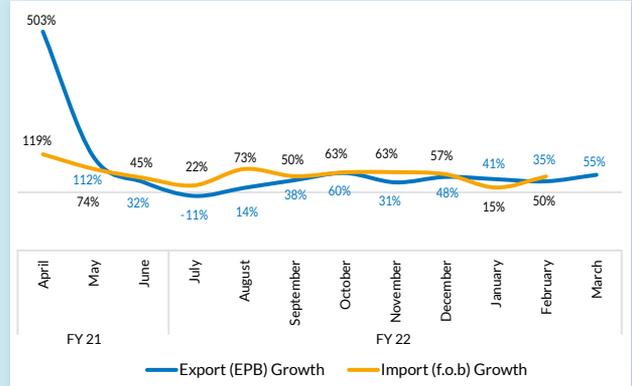
Prepared by IDLCSL Research Team

EXPORT-IMPORT

Growth in Export-Import Trade (Last 5 Years)



Export & Import Growth (Last 12 Months)

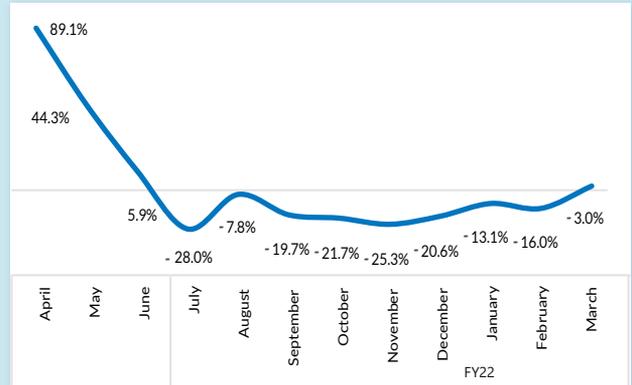


REMITTANCE

Remittance Growth (Last 7 Years)

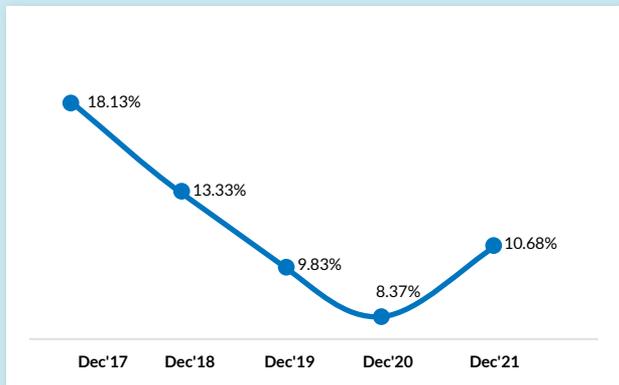


Remittance Growth (Last 12 Months)



PRIVATE SECTOR CREDIT GROWTH

Private Credit Growth (Last 5 Years)



Private Sector Credit Growth (Last 12 Months)



■ MONTH IN BRIEF

● Bangladesh has achieved yet another milestone as the government is set to announce that it has brought **100 % of the population under electricity coverage.**

● **Ballooning import payments amid price rises and a payment to the Asian Clearing Union (ACU) dragged Bangladesh's foreign-exchange reserves down USD 44 bln. The reserve position stood at USD 43.93 bln Sunday after the routine payment worth USD 2.10 bln to the ACU against the imports of the January-February period of the current calendar year, from USD 46.07 bln of the previous working day.**

● **The Bangladesh Securities and Exchange Commission restricted share prices of each company from falling beyond 2 % to check free fall on the market.** Share prices of no company can fall below 2 % of the closing price of the previous session while it can rise by the maximum 5 to 10 % set in the previously issued rules.

● **Bangladesh Securities and Exchange Commission has taken an initiative to impose four sanctions including suspension of free limit and initial public offering quota facility on brokerage houses which have shortfall in consolidated customer accounts and shares.**

● **Bangladesh's export earnings in the July-February period of the current financial year 2021-22 increased by 30.46 % to USD 33.84 bln from USD 25.86 bln** in the same period of the previous fiscal year due to an outstanding performance by readymade garment products.

● **Bangladesh's economy has experienced a strong rebound from the pandemic-induced downturn,** but the recent spikes in global commodity prices – aided by unfolding geopolitical conflicts – may create price pressure for the country, causing the government to miss its inflation target.

● **Bangladesh's overall trade deficit crossed USD 18 bln mark in the first seven months of the current fiscal year, burning a gaping hole in the country's current-account coffers.** Deficits in both the accounts go widening as higher import payments far outstrip export earnings and remittance also slows, official data show, thus putting pressure on the economy.

● **The government has constituted a BDT 1,290 crore (USD 150 mln) loan fund to support cottage, micro and small enterprises (CMSEs) taken up by returning migrant workers, unemployed youth and rural entrepreneurs hit hard by Covid-19 pandemic.**

● **Despite relaxed repayment facilities and quite usual economic activities, banks waived BDT 1,855 crore loan interest in 2021 – which is Tk 277 crore more than what it was in the previous year.**

● **The price of steel in Bangladesh has jumped 3.34 % within a span of just one week,** with manufacturers citing it as a ripple effect of rising global demand for scrap and a recent hike of local fuel prices. According to data of the state-run Trading Corporation of Bangladesh (TCB), each tonne of MS rod was selling for BDT 91,500 yesterday.

● For the Record

THERE ARE AROUND 25 BROKERAGE FIRMS WHICH HAVE DEFICIT IN THEIR CONSOLIDATED CUSTOMER ACCOUNTS AND 5-7 OF THEM ARE IN SERIOUS CONDITION. THE BSEC AND DSE HAVE BEEN CLOSELY MONITORING THE BROKERAGE HOUSES TO AVOID SERIOUS MALFUNCTIONS IN THOSE FIRMS.

Shaifur Rahman Mazumder, chief operating officer, Dhaka Stock Exchange on Brokerage houses with CCA deficit may face BSEC sanctions

The development of Bangladesh is visible now and the bilateral trade between Bangladesh and Korea is at its peak. Several Korean companies are involved in RMG, electronic products and some other sectors in Bangladesh.

Lee Jang-Keun, Korean Ambassador on Korea investment

The central bank has already asked commercial banks to stop all type transactions through SWIFT with sanctioned Russian banks.

Md Serajul Islam, Executive Director, Bangladesh Bank on stop swift payment

We have already taken electricity to remote areas. All the homes except those under construction are reaping the benefit of electricity.

Md Habibur Rahman, power secretary, Bangladesh on 100% electricity coverage

Businessmen in other countries hardly can influence the bank boards. But the picture in Bangladesh is completely opposite, which ultimately results in weakening good governance in the corporate sector.

Salehuddin Ahmed, governor, Former central bank on bank waived interest

Road accidents are the leading cause of permanent disability and the fourth leading cause of children's death globally. They disproportionately affect poor families. For Bangladesh, improving road safety is a critical economic and development priority.

Mercy Tembon, Country Director for Bangladesh and Bhutan on WB investments

Country	Nominal GDP, 2020 (USD in Billion)	Real GDP Growth, 2020 (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	80.70	-3.57	18.70	March-22	-1.34	16.37	295.57
Vietnam	343.11	2.95	2.41	March-22	3.65	2.49	22,861.50
Kenya	102.43	-0.32	5.56	March-22	-4.42	13.38	115.10
Nigeria	429.42	-1.79	15.07	February-22	-3.95	11.18	415.72
Bangladesh	416.00	6.94	6.17	February-22	-1.10	7.11	86.20
Emerging Markets							
Brazil	1,444.72	-4.06	10.54	February-22	-1.79	11.17	4.60
Saudi Arabia	700.12	-4.11	1.06	February-22	-2.81	N/A	3.75
India	2,660.24	-7.25	6.07	February-22	0.90	6.91	75.45
Indonesia	1,059.64	-2.07	2.64	March-22	-0.42	6.85	14,349.50
Malaysia	337.01	-5.65	2.20	February-22	4.24	3.97	4.21
Philippines	361.49	-9.57	4.00	March-22	3.59	6.15	51.17
Turkey	719.92	1.79	61.14	March-22	-5.18	25.52	14.71
Thailand	501.71	-6.10	5.73	March-22	3.51	2.18	33.43
China	14,866.74	2.34	0.90	February-22	1.84	2.82	6.36
Russia	1,478.57	-2.95	9.17	February-22	2.44	11.65	84.25
Developed Markets							
France	2,624.42	-7.99	4.50	March-22	-1.90	1.04	0.93
Germany	3,843.34	-4.56	7.30	March-22	6.95	0.53	0.91
Italy	1,884.94	-8.87	6.70	March-22	3.55	2.12	0.91
Spain	1,280.46	-10.82	9.80	March-22	0.69	1.49	150.82
Hong Kong	346.58	-6.08	1.60	February-22	6.54	2.25	7.83
Singapore	339.98	-5.39	4.30	February-22	17.59	2.24	1.36
United States	20,893.75	-3.41	7.90	February-22	-2.95	2.43	1.00
Denmark	356.09	-2.06	4.80	February-22	8.24	N/A	6.78
Netherlands	913.13	-3.83	6.20	February-22	6.98	0.81	0.91
Australia	1,359.37	-2.35	3.50	December-21	2.66	2.86	1.31
Switzerland	751.88	-2.51	2.40	March-22	3.79	0.49	0.93
United Kingdom	2,709.68	-9.85	6.20	February-22	-3.71	1.55	0.76

Bangladesh data: The new GDP size (FY21) and real GDP growth (FY21) are as per new base year. Calculation Method of CA Balance (% of GDP): CA balance of FY21 / GDP of FY21. Interest rate (%) 10 years TB as per March 2022, Inflation as per January 2022 and Currency Unit (per USD) as per 5th April are sourced from Bangladesh Bank

Nominal GDP: Data of all countries apart from Bangladesh is sourced from IMF estimates of 2021 data (October, 2021 Outlook)

Real GDP Growth and Current Account Balance: Data of all countries apart from Bangladesh is sourced from IMF estimates of October, 2021 data (World Economic Outlook, October 2021)

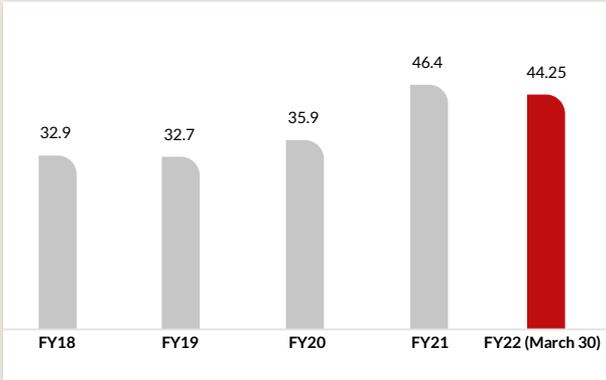
Inflation : Data of all countries apart from Bangladesh is sourced from tradingeconomics.com

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

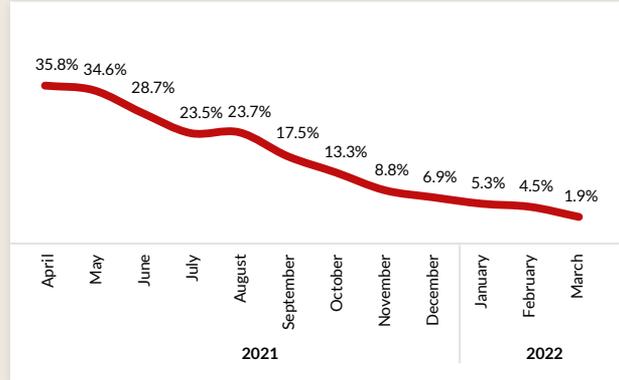
BANKING DATA CORNER

Prepared by IDLCSL Research Team

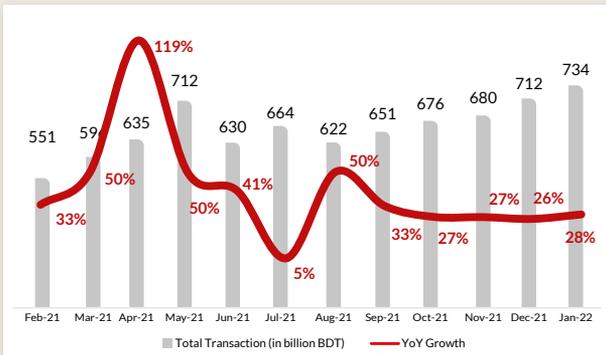
Foreign Exchange Reserve (In Billion USD, Last 5 Years)



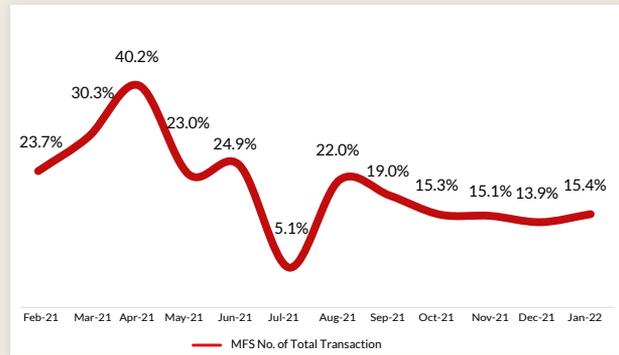
Foreign Exchange Reserve (YoY Growth)



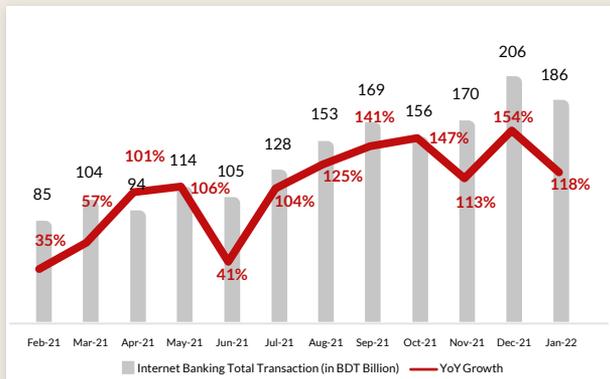
Total MFS Transaction Volume (YoY Growth) 2021 - 22



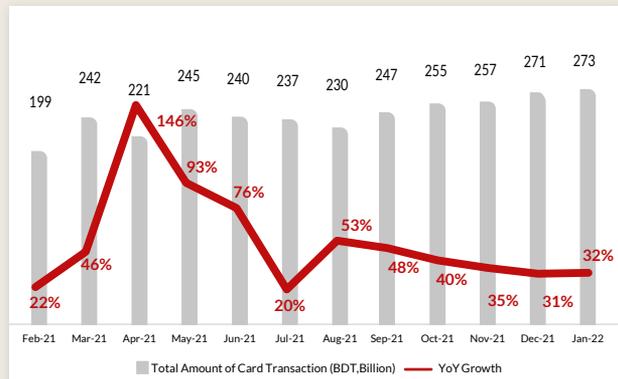
Total Number of MFS Transaction (YoY Growth) 2021-22



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



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



Source: Bangladesh Bank

PAYING ATTENTION TO HOME BASED WORKERS IS CRUCIAL FOR RESILIENT ECONOMIC RECOVERY

Anindita Mitra and Dr. Ratan Kumar Roy

Since Bangladesh is on the road to recovery from COVID 19-led economic crisis, paying special attention to inclusive growth remains to be a crucial concern. The government of Bangladesh has already planned to build a resilient economic recovery to emerge stronger from the pandemic halt. In this wake, the potential of Home-Based Workers (HBWs) can be acknowledged and maximized for the post-pandemic economic rebuilding strategy. HBWs were severely affected by the onset of the pandemic and with the announcement of the nationwide lockdown on 22nd March 2020. Even though the government has already announced a comprehensive economic recovery program that includes various safety net schemes for social protection, many HBWs and communities failed to access the benefits.

According to the Labour Force Survey 2009-10, there were about two million home-based workers in Bangladesh among whom 80% were unregistered. According to another research done by Women in Informal Employment: Globalizing and Organizing (WIEGO) in 2016 and 2017, the number of home-based workers was 10,559,528. Comparing the data leads us to a conclusion that their numbers have grown significantly over the years. According to Asian Development Bank, the informal sector contributed 64% to the GDP of Bangladesh. Considering the growth of HBWs over the decade, it would be safe to assume that they continue to contribute significantly to the economy as they form a significant part of the informal sector. Sad but true, in the domain of economic policymaking, still there is a dearth of understanding about the HBWs and their role in the emerging economy of the country.

According to WIEGO, home-based workers are defined as a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in

their homes, for the market, and b) workers carrying out work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used, and those contributing family workers helping such workers. Agriculture, pottery, independent work of women in woolen or tailoring, sewerage, rag pickers, and a long list of works that provide our population independent cash inflow are included in the list of home-based work. Many formal sectors but independent works are included in the list of home-based works.

The history goes back to the ancient period as the home-based works can be traced significantly in the culture and civilization of Bengal. The Indus people were greatly reliant on trade. Some goods that were traded were terracotta pots, beads, gold, silver, colored gems like turquoise and lapis lazuli, metals, flints, seashells, and pearls. The same type of activities is also noticed in Maury Empire, and many patterns of terracotta pots, silver, gold, metals were discovered which are available in Mahasthangarh, Bogura, Bangladesh. And, the waivers continued to sustain their trade from home since various colonial rulers came and go. The contribution of home-based works, both at the level of individual and community, continues to be vital for sustainable economic growth.

At present, two types of home-based workers can be found in our society, self-employed home-based workers and sub-contracted home-based workers. Self-assume-employed home-based workers take all the risks of being independent operators. They take care of their own raw materials, supplies, and equipment and pay utility and transport costs on their own. Their goods and services are usually available in the local market but in some cases, they manage to sell in the international markets too. Most of them do not prefer to hire others but mostly they have unpaid contributing

family members working with them. Potters of the Gazipur cluster can be a great example of this. For a long time, they are working in the business of pottery and most of them inherited the knowledge of this craft from their previous generation.

Sub-contracted home-based workers who are also known as homeworkers or industrial outworkers are the ones contracted by individual entrepreneurs, factories, or firms, often through an intermediary. Often firms outsource work to those who work in their own homes to cut costs and maximize profits. Most of the time, the workers do not even have any idea about the firm they are working for or where the goods will be sold. Typically, they are paid by the amount of piece of product and do not sell the finished products themselves. While home workers might be given the raw materials to work on, they have to cover many costs of production: workplace, equipment, electricity, and supplies. Jamdani waivers, waivers of Nokshi Katha are ideal examples.

To help the SMEs which include HBWs in Bangladesh, several measures were taken using domestic resources and with international support. The government announced a stimulus package of approximately USD 9 bln that involved the infusion of additional capital into the cash-ridden micro and small enterprises. The Asian Infrastructure and Investment Bank announced a USD 100 bln package to support the government. However, the benefits promised within this package did not reach a large section of the informal economy.

Bangladesh Bank along with the SME Foundation came up with a cluster-financing model. A cluster-cum-area wise list of disbursement of funds was maintained which reflected the benefits received by many tanneries and light engineering projects. However, many SMEs could not access the liquidity provided by the banks, and the major drawback was the lack of documentation. The loans were offered on the surplus of working capital of the institutions which

could be established through sales reports and cash flow documents. Unable to establish their credibility, many of the small and cottage businesses could not receive support from the government.

According to research done by WEIGO, 35.43% of the workers work independently in Bangladesh. Bangladesh Bank and SME Foundation of Bangladesh have an independent list of clusters where this informal workers could be found in Bangladesh. While Bangladesh Bank has divided them into six clusters, Bangladesh Bank or SME Foundation or both? While the initiative of making the clusters for identifying and categorizing the informal workers is commendable, we must acknowledge that many individuals and groups remain left out unrecognized and unlisted.

The traditional, home-based and sustainable businesses form the very fabric of the Bengali identity and economy. Ensuring their viability and survival is crucial for inclusive growth. Therefore, understanding the works of these institutions is prime, which calls for further research and study of these institutions and the impact of government policies regarding them. It is imperative to note that the success of a broad-based strategy for inclusive growth and rapid recovery from pandemics to accelerate sustainable development will depend on the availability and systematic analysis of the ground-level data. We hope to see organized efforts to identify the challenges faced by the HBWs in Bangladesh and address the issues they face in the real ground.

Anindita Mitra and Dr. Ratan Kumar Roy are associated with the International Research Center, SIMEC Institute of Technology, Dhaka, Bangladesh. Available at: research.simecinsitute.edu.bd



Circle FinTech



Redwan-ul Ansari

Managing Director
Circle FinTech

Interviewed by
Sumaiya Siddique, MBR Team

Circle FinTech Ltd. is a fintech dedicated to work with financial inclusion. In order to achieve this, it works closely with Central Bank, Banks, NBFIs, MFS, MFI, PSO, PSP. Circle Fintech's vision is to create a unified financial economy

MBR: Circle FinTech is the only open banking enabler in Bangladesh. Would you please share how the idea came up in your mind with us? What motivated you most at that time?

Circle FinTech: I sit on the Board of one of the Commercial Banks in Bangladesh which allows me to view the finance industry from a Birdseye view which is seldom possible for most FinTech here. The fact is that banks are the most audited entities to operate in the market and are subject to all the bells and whistles of Bangladesh Bank. We all say that banks have not done enough. In reality, they are the reason why the wheels of the economy go round. But, I also believe, they could do better. The problem lies with the lack of infrastructure. Banks simply have failed to deploy touchpoints throughout the country owing to high costs and overheads. Banks want to offer their products to the masses and are actively looking for ways to engage. The disparity is the problem and that is what prompted me to enact Circle.

In my opinion, this is where open banking can help tremendously. By the creation of a safe and highly scalable platform, it is possible to help the banks and other FIs to offer their products and services to the masses. On the other hand, my analysis brought me to the notion that we will be seeing a massive uptake of FinTech projects in Bangladesh following the success story of bKash.

This is when I started focusing on creating an ecosystem platform that would blend the concepts of open banking, essentially building 2 streams to connect everything. The first is Banking-as-a-service and the second is to build a modern payments rails that would pave the way for FinTechs, banks, and other FIs to roll out the next generation of digital finance products that is fully in line with the government's vision of Digital Bangladesh. It would create a world of collaboration between FinTech and the financial industry that would propel Banking 4.0 and usher Bangladesh on par with the first world countries in the world.



MBR: As we are heading towards the Industrial Revolution 4.0 how do people benefit from financial services in the coming days from Circle Fintech?

Circle FinTech: No matter what business anyone is in, everything boils down to trade and commerce fueled by finance. Although Circle is in the open banking and payment rails business, the capacity that this platform has is to enable commerce in a sector-agnostic manner. Imagine embedding financial products directly in the process of trade. For example, offering a supplier's loan is being offered on the fly at the point of purchase. This alone gives power directly to the buyer without having to apply for a loan from the banks in a traditional format which at present takes at least a month to issue. Something like this is easily made possible with Circle's platform. This is a sample of the immense capabilities that our platform can help enable. Payments can be made near-ubiquitous to enable real-time trade facilitation. All in all, Circle empowers business, industry, and the government at unprecedented levels. I would dare say that Circle FinTech would play a crucial part in the success story of Bangladesh's road to the 4th Industrial Revolution.

MBR: Circle Fintech is trying to create one open platform for all banks and NBFIs and other FinTechs. Can you please share with us what strategies you followed initially to mitigate the constraints to developing Circle FinTech?

Circle FinTech: To rollout Circle's vision, TRUST is perhaps the most important factor, and gaining it requires recourse and accountability which is also paramount to any financial services provider. No bank would jump on board with us simply because I have a very promising idea. The truth is you have to earn their trust. For financial players, if you go on and on about how technically sound your platform is, it will never convert into a value proposition with them. You have to do your homework, you have to know what that Bank/NBFI stands for or what the direction of the business is. A pre-conceived disposition is not enough, you have to analyze their business strategy,

study their numbers and draw up a value proposition that aligns with their aspirations. This is perhaps 70% of my focus before I approach any Bank/NBFI.

We started building our tech platform and our first approach was to take away the pains that banks seem to face when they try to connect with a third party. With our first bank partner we had to do a tremendous amount of handholding and in many cases developed the middleware necessary for them to enable connections. A high degree of patience and a deep level of understanding of banking operations is the keystone to creating a success story for Circle. Constantly being on top of regulations and molding our model is always necessary for this ever-changing financial landscape.

We helped our first bank partner process over BDT 300 crores using our platform, fully digitally and they really benefited from it during the COVID-19 pandemic. To this day, we also helped deploy their eKYC based bank account opening service across all their touchpoints. A clear trust was attained and that led to us forming stronger alliances with them where they are much more confident to connect with other FinTech products and service providers as well. Our strategy was to perform on our mandates and then replicate it across new partners. Today we work with 4 more banks and several more whom we hope to sign agreements with within the coming months. We stayed true to our commitment and held on to our belief systems. We knew, it is a marathon game and not a sprint, we never entered the market to score a few quick wins and then quietly exit the market.

MBR: Circle Fintech is currently working with Jamuna Bank. Their JustPay services amazed all the users. Would you tell us what the plan of Circle FinTech is?

Circle FinTech: With Jamuna bank we have had an eye-opening learning experience, the level of collaboration and knowledge sharing that took place was truly no short of amazing. JustPay was a product that actually helped Jamuna realize that FinTech can solve their problems and help them stay relevant in modern generation banking. The next step with them

is the creation of a truly modern digital financial services platform built on top of our open banking and Payment Rails capabilities. This will help the bank design fully digital financial products from the ground up and reach their customer base more dynamically than ever. One of the strongest areas that Jamuna bank thrives on is the treasury bond business and they are also a primary dealer. We are helping them build the next generation of bond products that will further strengthen their position as the apex players in this segment.

We want to enable more partners like Jamuna Bank and help them to serve the wider gamut.

MBR: In the era of digitalization, where everything is going on digitally, how

circle FinTech is planning to unlock new opportunities?

Circle FinTech: Finance industry of Bangladesh has not unlocked even 2% of its potential. We only saw the impact of what a P2P transfer platform can do for the economy. Imagine what the country can achieve, if we can help overcome more hurdles, solve more problems. We want to help open up access to finance for all by working with strategic partners. We know, we cannot do everything on our own. Hence, we have an open policy to empower all. We want to be the catalyst that fuels the next wave of digital financial service providers and together build the financial market of Bangladesh which stands for integrity and growth.



JUTE INDUSTRY OF BANGLADESH: RECLAIMING THE LOST GLORY

Written by

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IDLC Finance Limited



Jute was popularly termed as the golden fiber as it was one of the prominent cash crops of Bangladesh. Jute has been produced in Bengal since ancient times. But, prior to 1855, the fiber was locally used by the handloom weavers to make twines, ropes and coarse fabrics for the poor. Crimean War (1854-56) made the cotton and flax supply erratic and impulsive the Scottish millers to examine the possibility of jute as a commercially viable substitute. Due to comparative cheapness and availability of such commercially viable fiber from a British colony, the first jute mill named Acland Mill was established in Kolkata in 1855. Jute industry made rapid progress once it started its journey. The number of mills increased to 18 in 1882 and 35 in 1901 with 315 thousand spindles, 15 thousand looms, 110 thousand workers and a paid-up capital of 41 million rupees (Source: Banglapedia). Bangladesh alone met the 70-80% of world jute demand till 1948 which fell down to 25% in 1975. In the financial year of 1972-73, jute and jute goods contributed around 92% in our total export earnings.

However, it is still second export earning sector next to RMG. The sector has an average contribution of 3% in our export earnings and 1% in GDP. Moreover, though RMG sector is the highest contributor in our economy in terms of export earnings and employment, it is to be remembered that 1 Dollar of export earnings from Jute sector is tantamount to that of 4 Dollar from RMG sector since each 100 Dollar export of RMG item requires 55-60 Dollar import of raw materials. Bangladesh is the largest exporter of raw jute and second largest jute producer in the world. In value terms, India (USD 1.2 bln), Bangladesh (USD 899 mln) and Pakistan (USD 70 mln) were the countries with the highest levels of market value in 2018, with a combined 79% of global jute market share (Source: IndexBox).

Important Highlights on Global Jute Market

Market Size and Growth of Jute based products: According to the imarcgroup, the global jute bag market size reached USD 2.3 Billion in 2021 and it expects the market to reach USD 3.8 Billion by 2027 and expected

CAGR is 8.94% during 2022-27. However, according to a report of Globe Newswire (Published: May 04, 2021), global jute bag market value was USD 2.7 Billion in 2020. The major key factors driving the global jute bag market are growing adoption of jute bags based on their biodegradability, durability, low cost, high strength etc.

Consumption: The countries with the highest volumes of jute consumption were India (2.1 Million MT), Bangladesh (1.4 Million MT) and Pakistan (0.091 Million MT) with a combined 90% share of global consumption (Source: IndexBox).

Production: Approximately 3.9 Million MT of jute and jute fibers were produced worldwide and total output volume increased by at an average annual rate of 1.8% over the period of 2007-18. The countries with the highest volumes of jute production were India (2.1 Million MT) and Bangladesh (1.6 Million MT) with a combined 93% share of global production (Source: IndexBox).

Exports: Global jute export stood at USD 210 Million in 2018. From 2012 to 2018, exports remained at a lower figure. Bangladesh and India dominates the jute export structure reaching 0.243 Million MT which is near 84% of total exports. Tanzania, Belgium, Kenya and Malaysia together made up 13% of total global export. Exports from Bangladesh decreased at an annual average rate of -8.0% from 2007 to 2018. India and Kenya illustrated downward growth (-6.6% and -1.9% respectively) over the same period of time. However, at the same time Malaysia, Belgium and Tanzania attained positive growth rate of 33.3%, 6% and 1.5% respectively. [Source: Global Trade Mag]

Imports: Pakistan (0.091 Million MT) and India (0.064 Million MT) are the largest importers of jute and jute fibers. The countries share combined 53% of total imports. Nepal ((41 MT)) took the next position in the ranking, followed by China (31 MT). All these countries together took approx. 25% share of total imports. Jute imports amounted to USD 197 Million in 2018. In general, jute imports, however, continue to indicate a relatively flat trend pattern.

Bangladesh Jute Industry at a Glance

Industry Structure		
Controlling Body	Ownership	Product
Bangladesh Jute Mills Corporation (BJMC)	Government	Sacking/Hessian
Bangladesh Jute Mills Association (BJMA)	Private	Sacking/Hessian
Bangladesh Jute Spinners Association (BJSa)	Private	Yarn/Twine

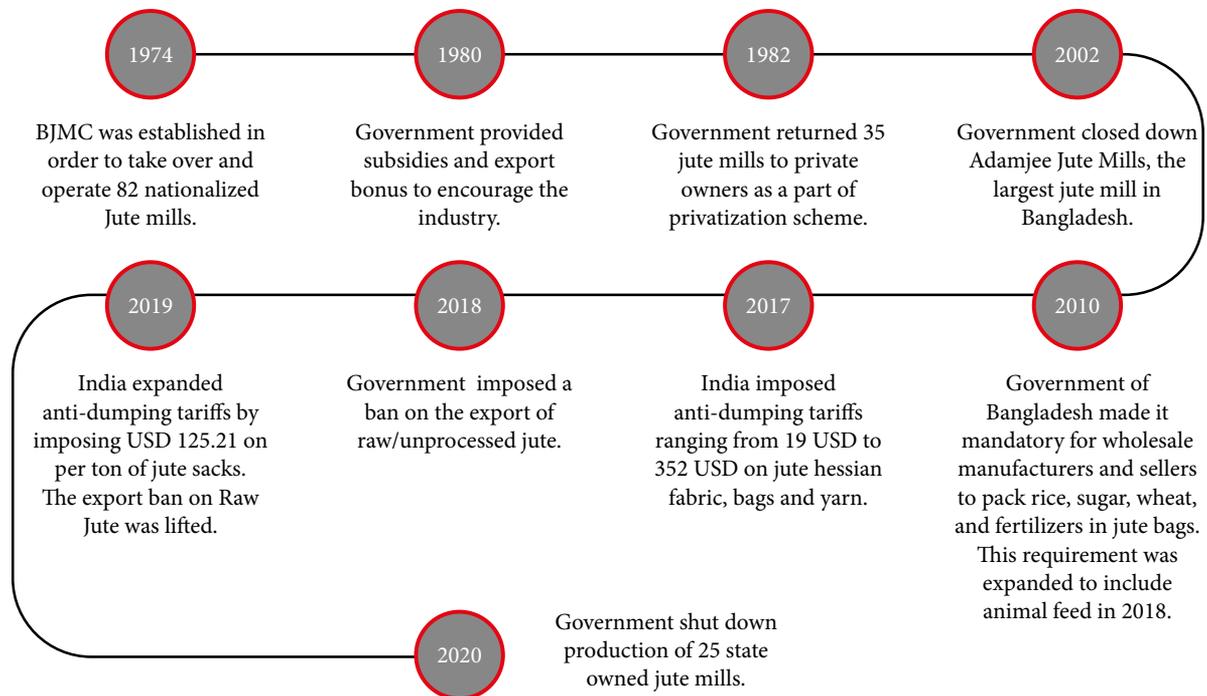
AVERAGE LAND AREA 12.35 LAC ACRE	ANNUAL AVERAGE PRODUCTION 1M TON
NO OF JUTE MILL (INCLUDING CLOSED MILLS) UNDER BJSa: 94, UNDER BJMA: 165, UNDER BJMC: 32	NUMBER OF WORKERS 1.56 LAC
	CONTRIBUTION TO EXPORT EARNINGS 3%
EXPORT GROWTH CAGR (2014-20) 35%	CONTRIBUTION TO GDP 1%

282 JUTE GOODS CURRENTLY EXPORTED TO 135 COUNTRIES

Export Subsidy/Cash Incentives	
Diversified Jute Goods*	20%
Hessian, Sacking and CBC	12%
Yarn and Twine	7%
Raw Jute	0%

*Any jute product (except hessian, sacking, CBC, jute yarn and twine) where jute has been used at least 50% as raw materials, will be categorized as diversified items (Jute Act, 2017). Diversified Jute Goods include Bags (school bag, travel bag etc.), cover, curtains, suitcases, mats, vases, carpets, shoes etc.

Major Events and Policy Implementation (1972-2021)



Overall Industry Performance

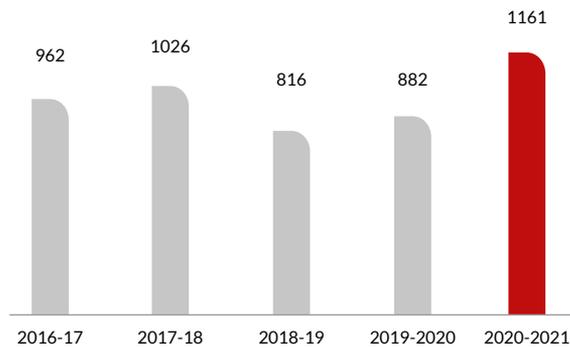


Fig-1: Export Performance of Jute and Jute Goods (in Million USD), (Source: EPB)

The data indicates that the sector lost its remarkable growth over the last few decades in terms of its contribution in country's aggregated export earnings. The export oriented jute sector secured around 90% contribution in export earnings in FY 1972-73 whilst the contribution came down to only 4.60% in FY 2000-01 and later sustained the sharp downward movement which resulted in 3.60% contribution in total export earnings in FY 2020-21. Total export volume did not increase significantly. It rose from USD 313.1 mln (FY 1972-73) to USD 736.4 mln and USD 1,161 mln in FY

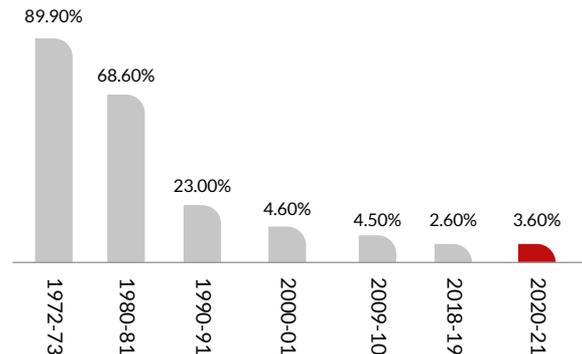


Fig-2: Contribution of Jute and Jute Goods in Export Earnings (Data Source: EPB, CPD)

of 2009-10 and 2020-21 respectively whilst our total export volume increased from USD 16.2 bln (FY 2009-10) to USD 41.2 bln in FY 2020-21. Export volume decreased by 20% (from USD 1,026 mln to USD 816 mln) in FY 2018-19 as compared to FY 2017-18 due to production shortage, anti-dumping policy imposed by India and economic recession in Turkey and some other Middle Eastern countries. However, in 2020-21, export earnings from this sector secured highest ever export earnings and broke all the previous records.

The jute was not able to show promising improvement in export performance due to phenomenal growth in RMG and shrimp sector, popularity of plastic items in domestic and international market, poor innovation and diversity over time.

Product-wise Export Performance of Jute Goods

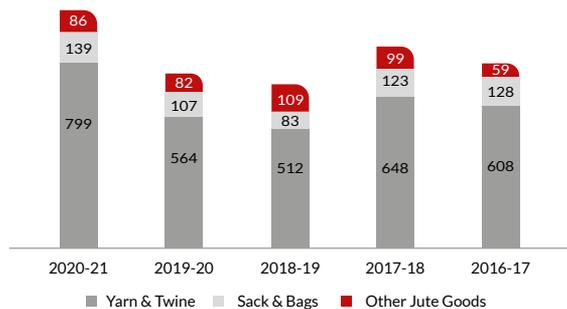


Fig-3: Product wise Export performance of Jute Goods (in mln USD) [Data Source: EPB]

According to the Fig-3, jute goods export is remarkably dominated by yarn and twine as compared to sack and other jute goods including Jute Diversified Products. In the last five years, total earnings from jute goods were accounted to USD 4,146 mln where jute yarn and twine solely contributed 76% and rest 24% came from sack and other jute goods combined.

Yarn, twine and sack export secured positive momentum whilst export performance of other jute goods represented negative movement (-21%) from FY 2018-19 to FY 2020-21.

Export of Jute Goods (Lac Metric Tons)

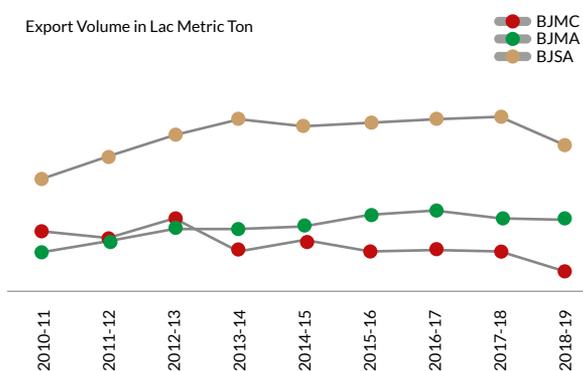


Fig-4: Export of Jute Goods (lac Metric Tons) by BJMC, BJMA and BJSA (Source: BJSa)

From the figure-4, it is clear that there is a downward movement from FY 2013-14 to 2018-19 from the state owned jute mills due to closure and transfer of various mills to private sector and reduced utilization. On the

contrary, privately owned jute mills under BJMA and BJMC maintained upward movement from 2010-11 to 2018-19. Both BJMA and BJSa continued to grow and remained rising as opposed to BJMC amid industry unrest, reduced price of jute goods etc. However, export volume of BJSa represents abnormal rise as our jute goods export is dominated by twine and yarn (as observed in Fig-3).

Figure-4 also suggests that jute mills under private sector are relatively better off than state owned mills.

Raw Jute vs Jute Goods: At a Glance

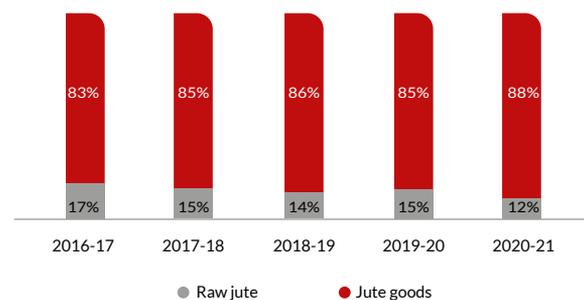


Fig-5: Export Composition of Raw Jute and Jute Goods (Source: Calculated from EPB Database)

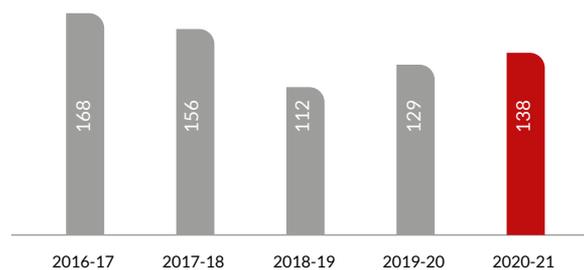


Fig-6: Export Performance of Raw Jute

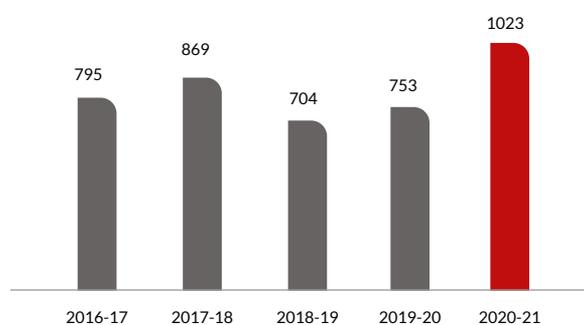


Fig-7: Export Performance of Jute Goods [Source: EPB]

Although Bangladesh is the largest raw jute exporter in the world, jute industry is being ruled by jute goods in terms of value. It is notable that export volume of jute goods was significantly higher than raw jute throughout any time period. Raw jute export is disadvantageous for our domestic millers and raw jute export has lower value proposition. Export value of raw jute is USD 900/MT whereas jute goods are being exported at the rate of USD1500/MT. Around 4 to 5 people are employed in the export of one MT of raw jute whereas 30-40 people work to produce yarns from one MT of jute (Source: TBS, 27 August, 2020). In 2018, the government imposed a ban on export of raw jute, though the very next year the ban was lifted. Moreover, raw jute exporters are not entitled to enjoy any export or cash incentives.

Export Destinations

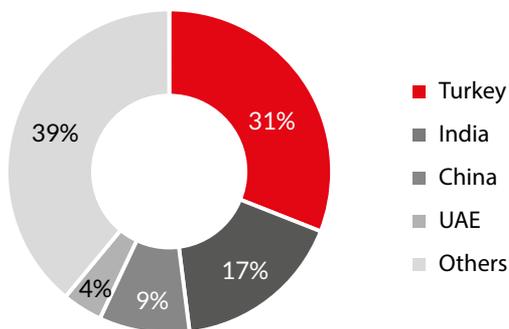


Fig-8: Jute Goods (Source: Light Castle Partners)

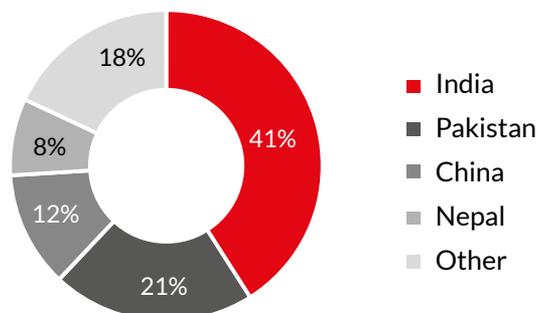


Fig-9: Raw Jute (Source: Light Castle Partners)

Drawbacks and Challenges: How Past Glory Becomes Present Obscurity

1. Inadequate domestic demand: Despite being second largest jute producer, Bangladesh has relatively very small domestic market for jute and jute goods. From the advent of the industry, the sector remains mostly export dependent. Though

Bangladesh government made the use of jute bags mandatory since 2008 instead of plastic bags for some listed items, the law is hardly enforceable given popularity and cheap rate of plastic bags.

2. Lack of product diversification and innovation: Our jute export mainly dependent on yarn and twine whereas global market size of twine is relatively smaller compared to jute sack and bag. Whilst export basket of China and India are dominated by jute sack and bags, ours are still being dominated by twine from the beginning.

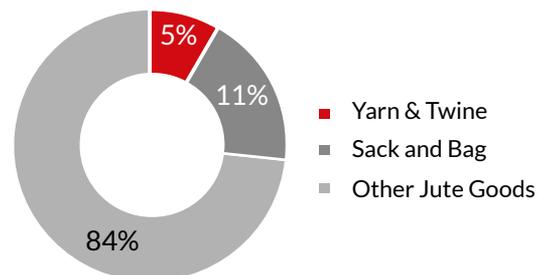


Fig-10: Export Basket of China (Source: UN Comtrade, 2018)

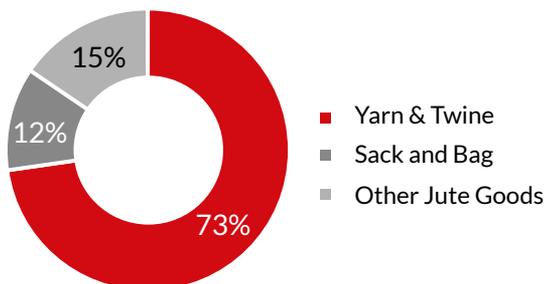


Fig-11: Export Basket of BD (Source: EPB, 2018)

3. Age Old Technology and lower productivity: The industry is losing competitiveness and productivity due to year old machineries. According to a report of Dhaka Tribune (published on December 2018), currently mills are operating with the old machines which have a 66% of productivity rate. Reportedly, mills under BJMC have productivity below 50%. In a government jute mills, 90 workers are required to produce one MT of sacks whereas mills under private sector require 25-30 workers to do the same job. Upgradation of decade old machineries is a must to ensure productivity and cost effectiveness.

4. **Mismanagement and Corruption in state owned Jute Mills:** Mismanagement and corruption engulfed the publicly owned jute mills and thus jute mills which were once making profit started to incur substantial losses. BJMC was not able to lead the management properly due to inefficient management personnel and nepotism. Unnecessary appointment of large number of workers, labor strike, procurement of low quality jute etc made the mills unprofitable and ended up with closure. Moreover, as farmers are deprived of right price of jute, quality of raw goods fell and buyers started to lose confidence.
5. **Widespread use of Plastic Items:** Jute mills started to lose orders due to the popularity and cheap rate of plastic products (bag, sack, etc.) from 1980s. Growing use and random production of plastic items apparently hamper the existing and potential jute market. Though the government has implemented the Mandatory Jute Packaging Act 2010, which was enforced in January 2014, to promote the country's jute sector, the law is hardly enforced. Bangladesh has never set a target or comprehensive plan to minimize use of plastic.
6. **Supply Shortage of raw jute:** Very often millers face order cancellation from foreign buyers as millers cannot supply goods within stipulated time and price due to scarcity or price hike of raw jute. Earlier on January 25, the top leaders of jute mills said they were going through an exceptional situation as they had already lost around 40% of their market share in Turkey due to the scarcity of raw jute (Source: Daily Star, Jan 31, 2022).

Opportunities and Prospects: Possibility of Reincarnation

Increased Demand of Natural and Green Products

According to a UN report, demand of natural products in consumer market is increasing by 2%-3% year on year. EU has already imposed a ban on usage of plastic bag. According to International Jute Study Group, global shopping bag market demand is 500 billion pieces currently. Bangladesh has the ample opportunities to rebrand its jute goods amid the popularity of eco-friendly products. Amid acceptance of green products and Go Green movement, demand of diversified jute goods is increasing dramatically

in international market. Global jute bag market size reached USD 2.3 bln in 2021 and it expects the market to reach USD 3.8 bln by 2027.

Potential of New Products in Jute Exports

Interior Supplies for Automobile: Jute fiber is used to make car interior and jute fiber shows a huge potential in this realm. Bangladesh started supplying jute to high-end car makers like BMW, Mercedes-Benz, and VW in the early 2000s, according to Bangladeshi jute exporters. The global car industry needs approximately 80,000 to 100,000 tons of natural fibers a year, of which 10,000 to 12,000 tons of jute are supplied by Bangladesh (Source: Daily Star, 11 Apr-2019).

Furniture and Home Appliance: At present India, China and some other countries are currently producing furniture and home appliance items by blending poly propylene with jute fibers.

Jute Sticks for Charcoal and Carbon Powder: Jute sticks can be a game-changer in jute exports. There is a significant global demand for jute-stick ashes because these are used as a raw material in many industries. At the moment, the country produces around three million tons of jute-sticks annually. The prospects for exporting jute-stick ashes are impressive, with China being a large market. In fiscal year 2015-16, Bangladesh earned BDT 140 mln by exporting jute charcoal to China alone. Bangladesh also gets duty-free market access to China in case of jute-stick carbon. Taking advantage of this access, the quantity of charcoal export to China can be doubled.

Jute Geotextile (JGT): JGTs are biodegradable, photodegradable, compatible with soil, harmless for fish/plants/microbes/eggs, etc. JGTs meshes with the soil and act as a fertilizer after a certain period. Bangladesh is considered to have great potential to earn significantly higher amount of foreign currency by exporting JGTs produced with the existing supply of jute fiber.

Sonali Bag: The product is developed by a Bangladeshi scientist Mubarak Ahmed Khan (Scientist at Bangladesh Atomic Energy commission). In 2018, BJMC started commercial production. This bag is biodegradable and environment friendly. It is re-useable and recyclable. The world bioplastics market is estimated to grow to USD 66 bln in 2022, as Europe and North America are expected to make a transition and shift towards biodegradable packaging. The European Union

explicitly aims to reduce overall consumption of single use plastics which means there is a great opportunity for promoting export of Sonali bags.

Jute Tin: An important addition in the family of diversified jute products has been environment-friendly 'Jute-Tin', which should serve both domestic and international markets. Instead of using lead and zinc, core raw materials used in producing CI sheet (tin), the long-lasting jute-made tin is a recent invention of a Bangladeshi scientist Mubarak Ahmad Khan (the inventor of jute polybag). The newly invented tin is made of jute hessian, resin, coupling agent and some hardener. Jute-tin is sound- and heat-proof.

Jute Viscose: Regenerated cellulose fibre (viscose) is a popular man-made fibre, which is made from the chemical induced transformation of natural polymers and used as a basic input of fabrics. Bangladesh spent considerable amount of money to import viscose for textile industry. A MOU was signed by BJMC and China's Textile Industrial Corporation for Foreign Economic and Technical Corporation to initiate the jute viscose project which will enable Bangladesh to produce 40,000 tons of viscose annually.

Policy Support

The government of Bangladesh implemented the Mandatory Jute Packaging Act 2010 which came into effect in 2014. According to the law, 17 commodities must be packaged in jute made bags.

Sl.	Commodities
1	Paddy
2	Rice
3	Wheat
4	Maze
5	Sugar
6	Fertilizer
7	Ginger
8	Garlic
9	Onion
10	Potato
11	Fish Feed
12	Poultry Feed
13	Flour
14	Chilies
15	Pulse
16	Coriander
17	Rice Bran

The act increases the domestic demand of jute sacks. Government has already decided to buy 50% of jute bags and sacks from private manufacturers and the rest from traders. According to Jute Department, annual domestic demand for jute bags and sacks is 195.65 crore pieces.

The Ministry of Textiles and Jute recently published a list of 282 jute goods designated as "diversified jute products" taking into consideration their demand in local and international markets (Source: TBS).

Some Recommendations and Way-outs

1. Increasing new products in export basket
2. Reviving BJMC
3. Technology upgradation and subsidy for new machine
4. Innovations in product and process
5. Special fund for JDP manufacturer at lower interest rate
6. Implement quota on raw jute export
7. Establish research and training centers

Conclusion

Jute has ample prospect to become a vibrant industry of the country. Currently, Bangladesh is largely dependent on RMG sector for export earnings. Around 84% of total export income comes from RMG sector alone. A country certainly should not be such dependent on a single industry. Rather, diversification in export basket is expected. Usually, garments industry shifts to low cost countries and highly susceptible to economic recession. Moreover, Bangladesh is going to lose quota after 2025 as it is lifted from LDC. Therefore, Bangladesh should seek alternative industry to keep sustainable export growth. As the global demand of jute based products is increasing rapidly, Bangladesh can secure a better position in the global market given the opportunities are properly and timely capitalized.

The writer is working as Assistant Manager in credit management division of IDLC Finance Limited and can be reached at NAhsan@IDLC.com



Shyam Sunder Agarwala

Owner, Natore Jute Mills

Interviewed by
Sumaiya Siddique, MBR Team

MBR: Bangladesh has witnessed the ups and downs of the jute industry. Would you please share with us the current scenario of the jute industry?

Shyam Sunder Agarwala: Recently, Bangladesh government has imposed a new act that requires people to use jute sacks mandatorily for carrying some products. For this reason, we can see the domestic demand for jute products has increased manifold. Previously, our source of revenue was exporting jute products. But, huge demand for jute products has been seen in the country now. We don't need to rely only on export these days.

Sometimes, we face a tremendous load of order and we cannot make delivery on time. Especially, when the government started to procure food grains, the demand for jute sack has increased tremendously. In the last two years, we have produced around 12 mln jute sacks and delivered them to the government.

MBR: Jute products are environment-friendly and there are multiple products made of jute. What are the challenges businessmen face while commercializing them?

Shyam Sunder Agarwala: For Bangladesh, the neighboring country India is the biggest market for export. Recently, India introduced different incentives where different duty structures have been set for their millers. So, they are getting incentives whereas we are

not getting any in our country. Hence, our products are more expensive than theirs. This inequality is creating a challenge for exporting jute products for us. Lack of incentives sometimes even makes it difficult for us to survive. If our government makes a uniform duty structure for us, we will be able to do business in a profitable way. It will also help us expand our business in the future. Secondly, another significant barrier is the distribution problem. For example, only the selected jute millers should be distributing jute sacks to the government. But, there are some outsiders who distributed bags to the government which they are not supposed to do. Government should take the initiative to stop those outsiders. Otherwise, it will be very tough for us to survive.

MBR: We would like to hear from you about the current prospects of the jute industry in Bangladesh.

Shyam Sunder Agarwala: We can clearly foresee that plastic products will be banned worldwide soon. The world is moving towards advanced machineries. In contrast, our country uses old machineries to produce jute products. The Indian government provides 20% subsidy for installing new machineries. As cost of installing advanced machineries is very high, millers often feel discouraged to go for advanced machineries for this reason. If the government of Bangladesh starts to offer subsidies for replacing old machineries, millers will grab this opportunity to install modern

machineries. As a result, efficiency will improve and mass people will get the chance to enjoy high-quality products at lower costs. When products quality increases, the export demand increases automatically. My suggestion is, if government solve this issue soon, the prospects of jute products will improve and it will be able to share a positive contribution to our economy.

MBR: Bangladesh is taking lots of initiative to ban plastic products. Do you still think Bangladesh people can afford jute products instead of plastic products for their daily use?

Shyam Sunder Agarwala: It is impossible to stop or ban plastic products entirely. It will take

some time. We also do not have that much efficiency at present. The government takes initiatives to ban plastic products, we will start replacing plastic bags with jute bags. By replacing them with jute bags. However, this is not possible to make it happen over the night.. Currently, we are exporting raw jute to India. But, if we can ban plastic bags entirely, our domestic demand will increase. For this reason, new employment opportunities will be created, and we will no longer be depended. If the government genuinely wants to change the scenario, it is not tough to ban plastic products and replace them with jute products.



FOURTH INDUSTRIAL REVOLUTION AND ITS IMPACT ON FINANCIAL INSTITUTIONS

With the passage of time, mankind has sought new and better ways to lead life and in process three industrial revolutions resulted which transformed our lifestyle. Now, we have stepped into the 4th industrial revolution (4IR) which banks on technologies such as artificial intelligence, robotics, augmented reality, genome editing, 3D printing, etc. The 4IR has already influenced almost all the industries

in different ways but in significant manners. It has also impacted the financial sector by introducing of blockchain, API, AI and so on. The introduction of technology in the financial sector in developing countries like ours has its pros and cons. Firstly, it will be discussed regarding the ways in which technology has changed the traditional approach of the financial sectors and later its impact and challenges will be discussed.

Technologies of the 4IR in the Financial Sector



Blockchain

Blockchain is a distributed database which is shared among the computers through nodes. Since it is a form of database, it preserves data in electrical form. It results in the speed and efficiency of business deals. It is already fastening the process how Financial Institutions (FIs) can perform transaction overseas. One of the renowned foreign banks of our country has successfully completed the country's first blockchain transaction by issuing a letter of credit.



Artificial Intelligence (AI)

Artificial Intelligence (AI) is a technology that is able to perform tasks which require human intelligence. Examples of such tasks include speech recognition, visual perception, decision-making, and translation between languages. AI has revolutionized the information technology sector and is a sub-field of computer science which includes the creation of intelligent machines and software that work and react

like human beings. However, FIs in Bangladesh are yet to adopt technologies of AI. If, they do so, it will unfold many potentials including record high speed data, valuable insights, better risk management and so on. AI will enable banks to perform five important tasks more efficiently, chatbot, robo advice, predictive analytics, credit scoring, cyber security and so on.



API

API stands for Application Programming Interface. It will enable banks and FIs to digitalize their service and merge with other digital service providers.



Cloud Computing

As cloud computing develops further, it will become more sophisticated and it will enable banks to be a cost saver for marginal systems like procurement, HR, etc. It will also enable the banks to introduce more flexibility compared to age old on premise system.

Impact of 4IR in the Financial Sector

The 4IR will impact the financial sector significantly. With the total transformation of tech in the banks and FIs, more transactions will be processed in a given set of time and so more services will be provided. With proper implementation of AI, risk management

will be easier and more effective. Moreover, with the combination of these technologies, we will be able to do better analytics and hence forecasting will be easier and more accurate. Further, it will enable us to provide service at a low cost.

Challenges



Lack of Technical Skills

One of the significant challenges is lack of technical skills. As financial sector gets automated, the need for highly skilled workers had also risen. But, in a developing country like ours, skilled workers with the required technological skills are still limited in comparison. Hence, we have to prepare a set of skilled workers before diving into the revolution.



Cybersecurity

When we will introduce tech in most of the phases of the financial sector, the concern for cyber security will increase manifold. As the data will be stored in clouds and servers, it will require proper security. So, banks and FIs must adopt a well-secured system prior adopting the revolution.



Increased Rate of Unemployment

4IR poses major threats for unskilled and low-skilled workers who might lose their jobs, as they might be replaced by technology. Therefore, in order to maintain the socio development indicators and to uphold the living standard, we will need to arrange alternative employment opportunities and train these set of workers who might lose their jobs in the process.



The Demographic Challenge

The youth are open to tech and innovation. But, we have a set of people who are in their 40s and 50s and they are reluctant to change. When they will see such a tremendous shift in this sector, they might be unwilling to adopt the changes swiftly and there may be some hurdles created by them.

Conclusion

Competition among financial institutions in Bangladesh is fierce. Customers are constantly expecting better services, quick decisions regarding their loan applications, seamless transactions, on-demand assistance, etc. Hence, adopting the technologies of 4IR is the need of the hour. However, we can see that the Fourth Industrial Revolution and its technologies can exhibit positive impacts on

society along with its negative impacts as well. Hence, while adopting this new technologies, we have to be prepared to face consequences of the negative effects too. Therefore, we need a legal policy framework to mitigate the challenges associated with these technologies and compensate the affected parties in case of a fatal error so that the serious threat to humanity could be curtailed.





Mir Tariquzzaman

GM & CTO, Information Technology Division
IDLC Finance Limited

Interviewed by
Sumaiya Siddique, MBR Team

Mr. Mir Tariquzzaman is the General Manager and Chief Technology Officer (CTO) of IDLC Finance Limited. He joined IDLC in April 1995 as Management Trainee. Mr. Tariquzzamaman is responsible for establishing and managing a dynamic IT Infrastructure of IDLC Group. In this edition, MBR team catches up with Mr. Tariquzzaman who shares his valued opinion about the 4th Industrial Revolution and its impact.

MBR: The technological advancements have disrupted traditional business models across the world over the last decade which ultimately will lead to the 4th Industrial Revolution. How do you think this movement towards 4IR has impacted the overall financial sector in Bangladesh?

Mir Tariquzzaman: The globe is at the doorstep of 4IR. Technologies are rapidly changing in the biological, the physical, and the digital domain. These innovations are marked as 4IR technologies which promise to achieve ambitious goals and objectives. Some economies have already started the journey.

The financial sector in Bangladesh is immensely impacted by 4IR technologies:

- Mobile Financial Services (MFS) is one of the sectors that has grown miraculously and has impacted the overall financial sector in Bangladesh. Domestic money transfer has been channelized and deployed in remote areas of the country through MFS.
- Online Platform-based Businesses are doing well and attracted global players like Uber, Daraz (Alibaba), and Bproperty. Amazon and Walmart are also thinking of getting into Bangladesh market.

- Covid - 19 has created an opportunity to go digital earlier than anticipated. Social distancing mandates have forced individuals and businesses to contemplate alternative ways of financial transactions.
- Central Bank's e-KYC policy has provided the initial boost required for end to end digital financial services. All the banks and NBFIs are in the process of changing the way of banking with eKYC and digital banking apps.

MBR: Tech-based modernization of industries is the need of the hour. Please share with us the ways in which the financial institutions are changing their traditional approaches of doing business in Bangladesh.

Mir Tariquzzaman:

- Mobile devices have become the new norm for banking/financial activities. Technology-powered digital savings and micro-loans in Bangladesh have opened up a new era of financial empowerment for the unbanked population, i.e., financial inclusion.
- Tech-based modernization helps to reduce the cost and improve the efficiency of product and service delivery across the financial sector.

- Empower customers by delivering a better value proposition and enhancing the customer experience through improved data analytics (giving a better understanding of customer behavior and needs).

The following are some of the most important steps Bangladesh has taken to digitize its financial services in the last decade:

- introduction of an automated Credit Information Bureau (CIB) to enable effective credit risk management and ease of doing business in Bangladesh

Automated cheque processing, National Payment Switch, BEFTN, and RTGS were introduced to enhance the speed as well as reliability of banking services.

- Linking the KYC process with the national database maintained by the National Election Commission (through utilizing the NIDs)
- The digitization of financial services (online banking, mobile financial services, and agent banking) has revolutionized access to finance in Bangladesh.
- Above all, backed by the innovative initiatives of Bangladesh Bank, today the banks are using core banking software and have dramatically automated most of their internal and external operations.

MBR: Technologies such as robotics, machine learning, artificial intelligence, etc. are the integral components of 4th Industrial revolution. Please share with us your views on how IDLC is adopting the technological advancements brought about by this revolution.

Mir Tariquzzaman: Behavioral Change: Become a Fintech like Company in attitude

Continuous Development: Move into continuous development mode

Partnership with Business Unit: In process automation, in customer acquisition, and providing data science, AI, and Business Intelligence. We already implemented CIB and Bank Statement Analyzer.

Digital Product: Convenient and easy to get

- After deposit (Online deposit and digital savings with bKash) and investment gradually, we can move into loan market by introducing:

- Rule based Pre-Sanction
- Fastest Approval of Pre-Sanctioned Loan
- Tie-up with Mobile Transaction Agents for Verification

Digital Financial Services: virtual branch for our customers

- Customer Acquisition: Mobile Apps and Website
- Collection & Disbursement: Through banks with mobile banking platforms

MBR: This revolution poses challenge for low and unskilled workers. So, how can Bangladesh overcome such threat as most workers are still unskilled and 60% of the population work in agriculture sector?

Mir Tariquzzaman: More recent research suggests that the adoption of technology to transform many traditional industries immediately into smart industries is not economically feasible. Thus, displacement due to automation may not occur immediately (Asian Development Bank, 2018). On the other hand, about 60 percent of the population works in agriculture, and about 30 percent of the GDP comes from agriculture. We cannot expect that the adoption of technology in these sectors will happen anytime soon. Thus, the idea that all industries will become automated and that low-skilled workers will lose their jobs is not always correct. However, non-routine jobs need to be accelerated to sustain economic growth. The non-routine and cognitive categories require higher-order cognitive and soft skills.

Universities need to produce graduates who are equipped with the skills of complex problem-solving, critical thinking, creativity, human resources management, networking, emotional intelligence, judgment and decision-making, and service orientation.

The role of the government in directing 4IR and providing a suitable environment for that is pivotal. The education sector will also play a vital role in training the workforce needed for the new jobs. Many of the existing jobs will be phased out, the laid-off workers will need to be retrained, and the government can play a big role in providing the workers with the incentives to relocate.

MBR: As the fourth industrial revolution is more related with technology and its implementation. When we talk about technology and other automation associated with it, cyber-security comes to mind. What are your advices for this sector to mitigate such risk?

Mir Tariquzzaman: Cyber threats are getting more and more sophisticated, with terrifying tales of ransomware, phishing, information leaks, and data breaches in the news every day. And, with the fourth industrial revolution bringing an increased use of technology into the banking and finance industries, the risk of companies suffering from cyber-attack is growing.

Digital money (or cryptocurrency) is an inevitable consequence of the fourth industrial revolution, and one of the biggest trends to come out of it is Block chain.

“Blockchain is a secure, decentralized, and transparent way of recording and sharing data, with no need to rely on third-party intermediaries.”

Just like the internet changed communications forever, the blockchain will change banking forever. Blockchain technologies record all transactions transparently and safely, allowing people to send money (almost) immediately from anywhere in the world at a low cost. And because it doesn't use any third parties, and each transaction is cryptographically protected, it drastically minimizes the risk of hacking.

Banks in Bangladesh have already started adopting blockchain technology, which, on a broader scale, will significantly help the country in trade-related

transactions making it paperless, real-time, low-cost, faster, and free of errors

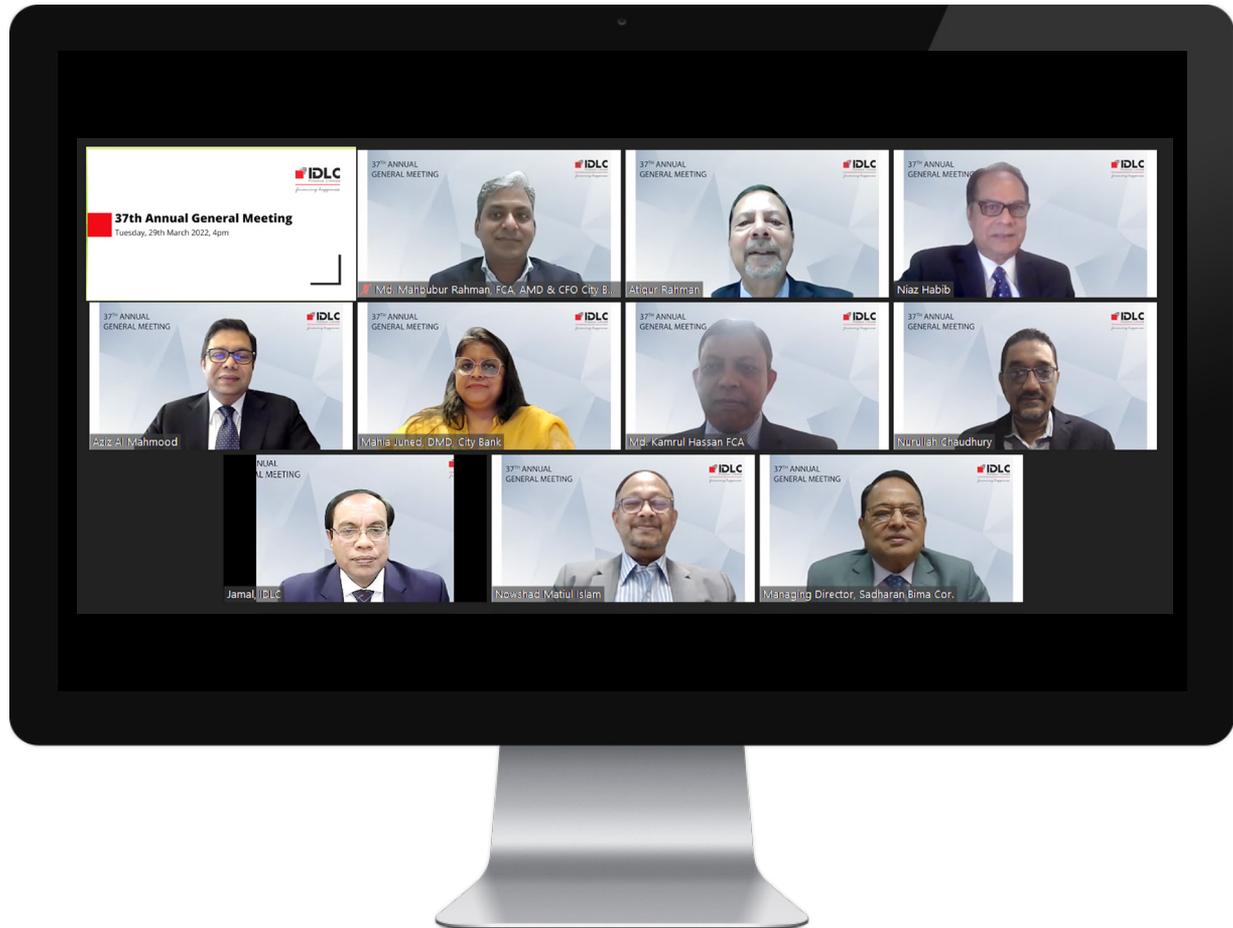
MBR: Experts claim that Bangladesh can attain status of a Developed country by 2041, if advantages of 4th Industrial Revolution can be availed. What will be your guidelines for restructuring the existing practices in order to reap the benefits of this revolution?

Mir Tariquzzaman:

- Invest in human capital and manpower development to create a workforce that is ready to succeed in a digital environment.
- Seek out new opportunities and the low-hanging fruits. Identify areas that are ready for change and lead to increased productivity.
- Special care needs to be taken to ensure that digital infrastructure and access-to-internet become affordable and sustainable. Moreover, a policy environment focusing on customer benefit must be the top priority, which necessitates ensuring interoperability, favorable tax policy, etc. Gaining and maintaining customer confidence is also pivotal.
- Banks and financial institutions must be as flexible and agile as possible because the financial industry is constantly changing. They need to be able to address problems and change direction quickly.
- Digital Financial Service (DFS) needs to ensure that customers get acclimated to the “new normal” and that fraudsters do not spoil the show that has been developed with painstaking efforts.



IDLC APPROVES 15% CASH AND 5% STOCK DIVIDEND AT ITS 37TH AGM



The 37th Annual General Meeting (AGM) of the shareholders of IDLC Finance Limited was held virtually on Tuesday, March 29, 2022, by using a digital platform in compliance with the directives set by Bangladesh Securities and Exchange Commission (BSEC). In line with the directives of Bangladesh Bank, the Board of Directors placed the proposal for dividend at the AGM and the shareholders approved a 15% Cash Dividend (BDT 1.50 per share) and 5% Stock Dividend for the year 2021.

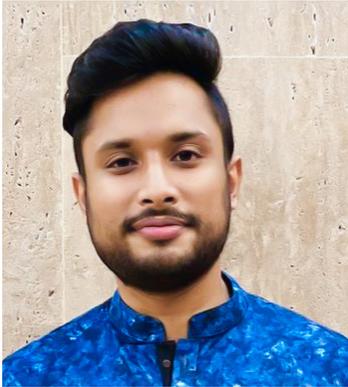
During this event, it was discussed that, despite the ongoing pandemic and extremely challenging market conditions, IDLC continued to be the frontrunner in the financial sector, displaying resilient performance in 2021 (Net Profit of BDT 2,116 Million), due to a

strong governance framework and commitment to a customer-centric approach.

Aziz Al Mahmood, Chairman, IDLC Finance Limited, and other directors, Atiqur Rahman, Nurullah Chaudhury, Mahia Juned, Mohammad Mahbubur Rahman, Md. Kamrul Hassan, Syed Shahriyar Ahsan, independent directors, Niaz Habib, Matiul Islam Nowshad, and MD & CEO of IDLC Finance Limited, M Jamal Uddin were present at the meeting.

During the speech, both Chairman and the MD & CEO welcomed the participating shareholders and thanked them for their continued support. They highlighted how the company's financial performance was achieved through cautious and timely strategic maneuvers.

ONETHREAD



Rashik Hoque

Co-founder & CEO
Onethread

Interviewed by
Sumaiya Siddique, MBR Team

Onethread is providing the most seamless multi team project management solution so that teams can from different organization can work more effectively then ever before.

MBR: Onethread is a renowned project management solution company in our country. We would like to hear how you came up with this idea and what motivated you the most to establish this company.

Rashik Hoque: My family business is in RMG sector and I saw first hand how unstructured communication systems are in big businesses. When we talked to business from different industries and of different sizes, we realized that almost no one is using any proper solution to organize their workflow.

Even though there are a lot of solutions available in the market, price and high learning curve are the barriers to truly implement any solution. So we thought if we can bring an affordable solution which is a lot easier to use, we can grab the market.

MBR: Still, many companies are following traditional ways of managing

projects that are more time-consuming and costly. Can you share with us how companies are benefited from Onethread?

Rashik Hoque: There are four core benefits.

- Companies can structure their work flow a lot better and get instant updates of everything and everyone in the company.
- Managers are relieved of redundant work of following up manually with everyone, allowing them to focus on more critical issues.
- Now, they can truly prioritize work and make sure the most important works get the most attention. But beyond that, they can now make sure all the deadlines are met.
- We eliminate your need of using multiple solutions to collaborate. So, now it is a lot easier for management to oversee and for employees to give updates.



MBR: Currently, Onethread is in a very reputed position as the number of their consumers is increasing day by day. But, if we look at the beginning of Onethread, can you tell us what challenges you faced in that time?

Rashik Hoque: I think, there are different phases of a business and we are still facing some of the similar challenges that we faced before. As our market is not very tech savvy, getting people to use the solution at first was difficult. On the other hand, people who are tech savvy could use international alternatives. So, we had to match that level. While people who have not used anything similar, was hesitant of the value proposition this can offer. It took us a lot of manual onboarding, handholding and market adoption on our behalf. Now, we are confident that we can give you an international quality experience while making sure that it is easy enough for the new users.

MBR: There are many project management solution companies growing in our industry. Can you tell us what strategies you want to follow to segregate Onethread from others?

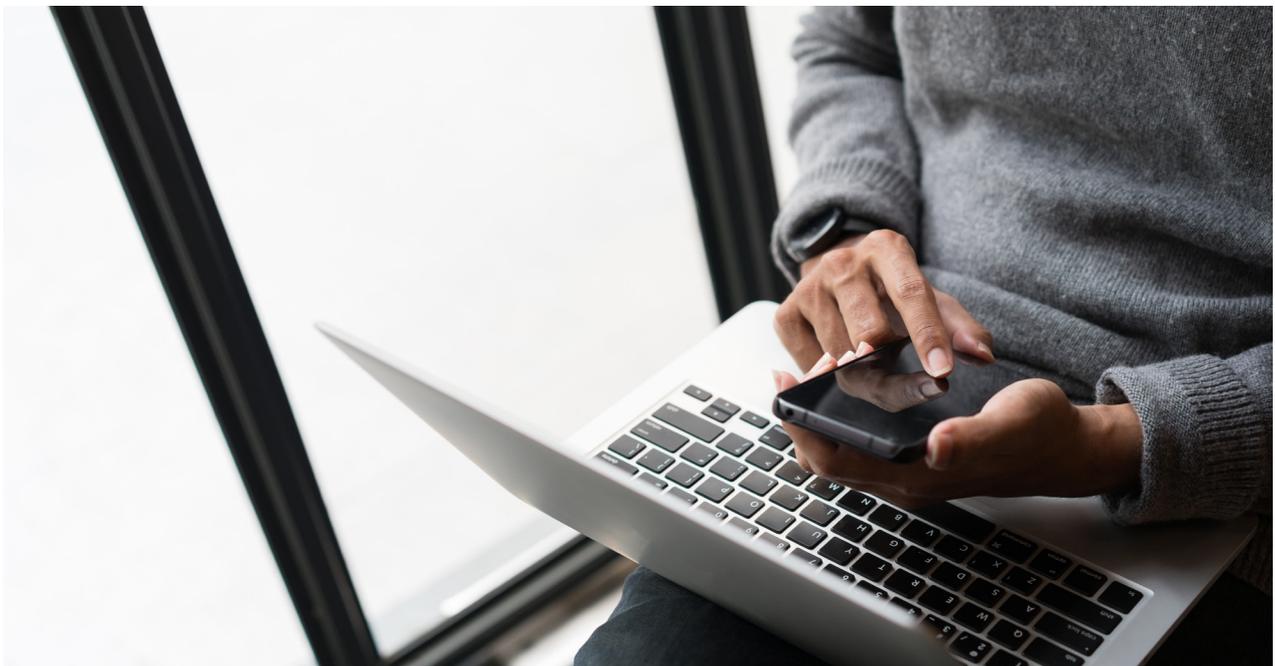
Rashik Hoque: Our value proposition is simplicity

and affordability. Most other solutions are designed for high tech users. That means those solutions are feature heavy, takes a lot of time to learn and implement. For most local companies, that is not just feasible. So even amongst the companies who have tried to implement something, a lot of them have failed. They require a simple solution, local support to train employees, customization depending upon businesses and industries and lastly, an affordable price point. All these things put Onethread in an unique position that no other international company can reach.

MBR: Would you share how Onethread will expand its operations in the near future?

Rashik Hoque: We have been getting smaller teams onboarded in our solution this far. As the solution grows, now we are targeting bigger companies. As already 30% of our users are from outside Bangladesh, we are looking to expand into overseas markets.

Our goal is to create industry specific templates focused on businesses. We are in talks with some partners to collaborate to get into different industries. We are also tapping into neighbouring markets like Myanmar, Indonesia, etc., to understand those markets a bit better.



CAPITAL MARKET REVIEW

Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market closed the month of March in positive territory. During the month, the broad index DSEX escalated by 0.3%. Blue chip index DS30 declined by 0.3% whereas Shariah index DSES went up by 1.0% in the month of March.

Among the regional peers, Sri Lanka (-23.1%) closed the month in negative, while Pakistan (+1.1%) and Vietnam (+0.1%) closed in positive. MSCI Frontier Markets Index remained flat in March. Over five years horizon, both Vietnam (+106.6%) and Sri Lanka (+46.9%) posted the most encouraging return.

Table 1: Equity market performance of Bangladesh and peer countries

Indices	Index Points, March 2022	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	6,757.8	0.3%	0.0%	0.0%	28.0%	23.1%	18.2%
DS30	2,474.0	-0.3%	-2.3%	-2.3%	24.0%	25.8%	18.3%
DSES	1,468.1	1.0%	2.6%	2.6%	21.9%	15.1%	N/A
Peer Countries							
Pakistan (KSE 100)	44,928.8	1.1%	0.7%	0.7%	0.8%	16.2%	-6.7%
Sri Lanka (CSE - All Share)	8,903.9	-23.1%	-27.2%	-27.2%	25.0%	60.2%	46.9%
Vietnam (VNI)	1,492.2	0.1%	-0.4%	-0.4%	25.2%	52.1%	106.6%
MSCI Frontier Markets Index	823.8	0.0%	-7.4%	-7.4%	8.8%	14.7%	18.9%

*All returns are Holding Period Return

Source: Investing.com, MSCI, DSE

Liquidity Condition in Equity Market of Bangladesh

During March, the total market capitalization declined by 0.8%. The daily average turnover of March was BDT 8.3 bn (USD 96.3 mn), decreasing by 28.9% from that of the last month. Turnover velocity which represents overall liquidity of the market stood at 40.6% in March compared to 49.0% of last month. In 2021, turnover velocity of Bangladesh equity market was 65.3%, in comparison to 30.1% in 2020.

Table 2: Market capitalization and turnover statistics

Particulars	31-Mar-22	28-Feb-22	% change
Total market capitalization (USD* mn)	62,577	63,076	-0.8%
Total equity market capitalization (USD mn)	54,788	55,293	-0.9%
Total free float market capitalization (USD mn)	21,181	21,119	0.3%
Daily Avg. Turnover (USD mn)	96.3	135.5	-28.9%
Turnover Velocity~	40.6%	49.0%	N/A

*All USD figures are converted using an exchange rate of 86.20 as of April 05, 2022 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 66.2% till March, 2022. During the same period, daily average turnover of the market amounted to BDT 6.7 bn (USD 77.4 mn) (Figure 1).

Figure 1: DSEX since inception along with market turnover



Source: DSE

Market Valuation Level - P/E Ratio

The market P/E decreased to 15.63x in March compared to last month's 16.34x. It is slightly higher than the 21 years' median market P/E of 15.17x (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 its median

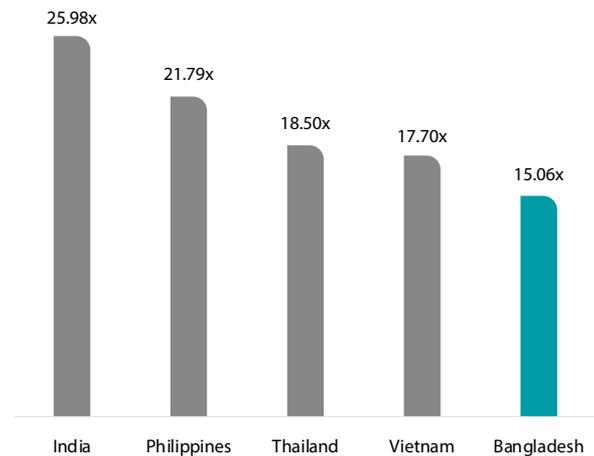
Current Market P/E in Context of History



*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



*Trailing 12 month P/E as of April 05, 2022.

Source: IDLC, Bloomberg

Sector Performance

Among the major sectors, Cement (+7.8%) yielded the highest return. On the other hand, NBF1 (-3.9) and Telecommunication (-3.5%) faced the highest selling pressure.

Fuel & Power sector has the highest dividend yield of 5.5% 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			
Telecommunication	7,600	826	-3.5%	-2.4%	-2.4%	1.3%	7.4%	45.0%	17.2	6.8	2.8%
Pharmaceuticals & Chemicals	8,468	4,584	-0.3%	1.6%	1.6%	24.4%	45.4%	63.3%	16.51	3.2	2.0%
Bank	8,308	4,503	-0.1%	-1.6%	-1.6%	23.9%	25.0%	32.3%	7.9	0.7	3.7%
Engineering	6,434	1,426	-0.3%	-1.7%	-1.7%	5.9%	51.3%	34.6%	21.9	2.6	2.5%
Fuel & Power	5,597	1,600	-0.6%	3.9%	3.9%	15.1%	2.2%	35.1%	11.7	1.6	5.5%
Food & Allied	4,903	1,531	-1.2%	-3.6%	-3.6%	14.8%	36.8%	124.4%	23.4	9.5	4.0%
NBFI	2,349	750	-3.9%	-11.1%	-11.1%	19.7%	9.4%	-12.8%	18.7	2.2	1.9%
Miscellaneous	2,992	1,323	1.6%	1.6%	1.6%	44.6%	98.7%	156.8%	11.63	2.8	2.0%
Textile	2,038	1,150	0.4%	6.9%	6.9%	54.9%	7.0%	14.9%	14.8	1.2	2.4%
Cement	1,519	595	7.8%	7.1%	7.1%	50.8%	33.1%	-4.0%	20.2	3.5	2.9%
Non-life Insurance	1,397	790	1.0%	-13.2%	-13.2%	37.4%	144.3%	195.1%	19.3	2.4	2.0%
Life Insurance	858	519	0.1%	-3.4%	-3.4%	33.4%	29.0%	46.6%	39.2	7.8	1.6%
Travel & Leisure	323	169	2.8%	12.4%	12.4%	24.4%	28.0%	24.2%	58.6	1.0	1.5%
Ceramics	357	139	-3.0%	2.6%	2.6%	48.0%	14.8%	22.2%	28.9	2.0	2.1%
IT	463	291	8.4%	4.2%	4.2%	50.9%	42.3%	26.3%	26.1	3.2	1.1%
Services & Real Estate	324	172	-1.8%	8.1%	8.1%	52.3%	49.9%	1.8%	18.0	1.6	2.7%
Tannery	496	286	6.5%	20.2%	20.2%	113.3%	41.2%	49.8%	39.1	3.8	0.7%
Paper & Printing	420	147	4.5%	23.4%	23.4%	18.7%	-16.5%	-35.5%	42.3	2.6	0.7%
Jute	24	15	5.8%	2.2%	2.2%	-0.8%	-53.2%	77.4%	188.4	6.2	0.2%
Market	55,710	21,181	0.3%	0.0%	0.0%	28.0%	23.1%	18.2%	14.3	2.0	3.0%

*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 March, all the cap classes remained positive except for Large (-0.9%) cap class. Large Cap was the highest dividend yielding (3.6%) 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	≥117	77.2%	-0.9%	-0.7%	-0.7%	18.8%	20.8%	94.0%	19.2	1.9	3.6%
Mid	35-116	11.9%	0.9%	-2.1%	-2.1%	39.8%	22.6%	-37.5%	27.0	1.4	2.3%
Small	12-34	8.1%	2.7%	4.5%	4.5%	50.3%	34.6%	67.7%	86.0	1.3	2.1%
Micro	<12	2.8%	4.0%	14.6%	14.6%	78.3%	31.0%	-84.7%	178.0	1.1	0.6%
Market	-	-	0.3%	0.0%	0.0%	28.0%	23.1%	18.2%	14.3	2.0	3.0%

*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, BEACONPHAR (+11.3%) advanced the most, followed by LHBL (+9.2%). On the other hand, ICB (-7.2%) faced the highest correction.

Majority of these companies yielded outstanding return over longer time horizon (5 years) such as BEACONPHARMA (+1148.6%), BEXIMCO (+466.2%), UPGDCL (+198.1%), MARICO (188.6%), BATBC (+154.5%), and DUTCHBANGL (+149.3%).

Among the scripts, SUMITPOWER, UPGDCL, TITASGAS, BATBC and GP 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	5,152	515	0.46	-3.3%	-2.5%	-2.5%	7.4%	-5.4%	27.7%	13.0	15.3	3.8%
WALTONHIL^	Engineering	3,782	37	0.07	-2.8%	-6.3%	-6.3%	-9.8%	N/A	N/A	36.5	4.1	2.3%
BATBC	Food & Allied	3,662	968	2.37	-0.4%	-3.8%	-3.8%	15.6%	33.6%	154.5%	21.1	9.6	4.7%
SQURPHARMA	Pharmaceuticals & Chemicals	2,255	1,476	21.79	0.1%	2.3%	2.3%	14.5%	-1.2%	11.8%	10.1	2.7	2.7%
ROBI^	Telecommuni-cation	2,042	204	0.33	-5.6%	-2.6%	-2.6%	-24.2%	N/A	N/A	98.8	2.9	0.6%
UPGDCL	Fuel & Power	1,707	171	0.14	0.6%	4.0%	4.0%	2.1%	-23.7%	198.1%	10.7	5.5	6.7%
RENATA	Pharmaceuticals & Chemicals	1,683	820	0.63	-0.5%	3.1%	3.1%	27.6%	56.0%	128.5%	26.4	7.3	1.0%
BEXIMCO	Miscellaneous	1,556	1,028	12.83	3.7%	3.2%	3.2%	111.6%	632.6%	466.2%	8.8	2.2	2.3%
LHBL	Cement	1,010	357	1.36	9.2%	9.0%	9.0%	57.9%	97.7%	17.9%	22.5	5.6	3.3%
ICB	NBFI	986	32	0.16	-7.2%	-14.9%	-14.9%	21.2%	5.9%	-25.8%	30.3	8.9	1.0%
BERGERPBL	Miscellaneous	943	47	0.06	-0.3%	1.0%	1.0%	3.8%	5.4%	81.9%	30.5	11.2	1.7%
BXPBARMA	Pharmaceuticals & Chemicals	912	637	0.74	-5.5%	-8.6%	-8.6%	-3.5%	139.1%	87.4%	12.4	2.6	2.0%
MARICO	Pharmaceuticals & Chemicals	861	86	0.14	-1.8%	2.4%	2.4%	14.5%	84.5%	188.6%	19.6	40.3	3.8%
BRACBANK	Bank	803	432	0.78	-8.0%	-10.1%	-10.1%	30.7%	-13.4%	17.8%	12.6	1.8	1.5%
BEACONPHAR	Pharmaceuticals & Chemicals	670	469	0.61	11.3%	2.8%	2.8%	132.4%	1303.1%	1148.6%	48.3	19.6	0.6%
ISLAMIBANK	Bank	613	298	0.11	0.6%	2.5%	2.5%	20.7%	43.2%	-2.6%	9.2	0.9	3.0%
DUTCHBANGL	Bank	546	82	0.15	1.4%	-2.5%	-2.5%	33.7%	18.4%	149.3%	8.5	1.8	2.3%
POWERGRID	Fuel & Power	525	131	0.67	1.8%	6.5%	6.5%	58.0%	24.1%	40.0%	17.9	0.9	3.1%
SUMITPOWER	Fuel & Power	483	178	0.21	2.6%	0.3%	0.3%	-1.5%	18.5%	34.4%	9.7	1.3	9.0%
TITASGAS	Fuel & Power	465	116	0.25	-1.7%	11.6%	11.6%	35.3%	30.3%	9.4%	14.1	0.6	5.4%
Market		55,710	21,181	96.26	0.3%	0.0%	0.0%	28.0%	23.1%	18.2%	14.3	2.0	3.0%

*All returns are Holding Period Return.

^WALTONHIL got listed on September 23, 2020. ROBI got listed on December 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, CAPM unit Fund (+14.8%) yielded the highest return. On YTD basis, all these funds underperformed compared to market except ICB AMCL Pension Holders' Unit Fund and CAPM Unit Funds.

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

Name	Asset Management Company	Fund Size (USD mn)	NAV Return		
			2022 YTD*	2021	2017-2021
CAPM Unit Fund	CAPM	1.7	1.8%	29.6%	14.8%
Seventh ICB Unit Fund	ICB	1.6	-4.1%	34.2%	14.3%
Second ICB Unit Fund	ICB	1.6	-4.1%	41.5%	14.2%
UFS-Pragati Life Unit Fund	UFS	5.6	-0.9%	27.3%	13.3%
Peninsula AMCL BDBL Unit Fund One	IDLC	2.3	-4.0%	25.7%	11.8%
Sixth ICB Unit Fund	ICB	1.2	-0.5%	29.6%	11.6%
Third ICB Unit Fund	VIPB	1.2	-0.5%	26.0%	11.6%
Fourth ICB Unit Fund	ICB	2.9	-0.3%	36.1%	11.4%
LankaBangla 1st Balanced Unit Fund	ATC	6.3	-1.7%	21.9%	11.2%
ICB AMCL Pension Holders' Unit Fund	ICB	8.9	6.7%	27.5%	10.7%
Market (Broad Index) Return (%)			0.0%	25.1%	6.1%

*Based on published NAV and DSEX point of March 31, 2022

All the top ten closed end mutual funds on the basis of 5 years (2017-2021) outperformed the market during the same horizon. Among them PRIME1ICBA (+12.4%) posted the highest return. On the YTD basis, 1STPRIMFMF (+4.0%) and ICBEPMF1S1 (+4.0%) were the top performer.

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

DSE Code	Fund Manager	Fund Size (USD mn)	Price' (BDT)	NAV' (BDT)	Price/ NAV	Dividend Yield ² (%)	NAV Return ³				Redemption Year ⁴
							2022 YTD	2021	2019-2021	2017-21	
PRIME1ICBA	1,061.0	12.3	7.5	10.6	70.7%	10.0%	2.0%	35.8%	17.3%	12.4%	2030
1STPRIMFMF	293.8	3.4	18.2	14.7	123.9%	5.5%	4.0%	38.5%	17.3%	12.0%	2029
ICBSONALI1	1,072.0	12.4	8.5	10.7	79.3%	8.2%	2.3%	26.6%	13.7%	10.9%	2023
PF1STMF	616.2	7.1	12.1	10.3	117.8%	5.0%	1.5%	39.6%	16.9%	10.9%	2030
ICBEPMF1S1	755.3	8.8	7.6	10.1	75.5%	7.9%	4.0%	38.2%	17.7%	10.6%	2030
ICBAMCL2ND	553.5	6.4	9.5	11.1	85.8%	8.4%	3.1%	36.2%	16.1%	10.5%	2029
ICB3RDNRB	991.0	11.5	7.1	9.9	71.6%	9.9%	3.6%	36.2%	16.8%	10.4%	2030
GRAMEENS2	3,779.3	43.8	16.0	20.7	77.2%	8.1%	-0.4%	18.2%	9.2%	9.8%	2028
CAPMBDBLMF	634.2	7.4	11.0	12.7	87.0%	11.8%	2.8%	29.9%	12.4%	9.3%	2027
RELIANCE1	871.2	10.1	11.5	14.4	79.9%	9.1%	-0.3%	19.2%	8.7%	9.0%	2031
Market							0.0%	25.1%	7.9%	6.1%	

1 Price as of April 03, 2022, and NAV published on March 31, 2021.

2 On last cash dividend declared.

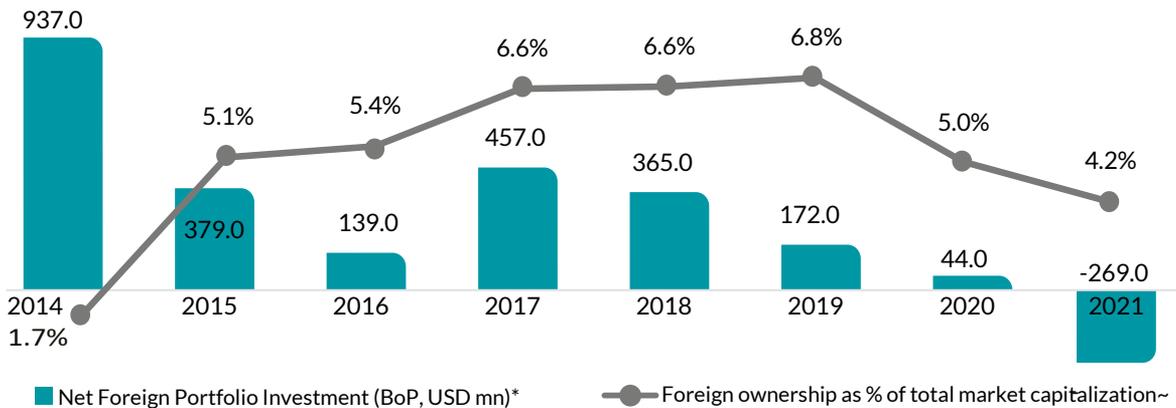
3 CAGR computed for respected periods, except for 2020 and 2021 YTD, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

4 In reference to BSEC Press Release বিএসইবি/সুখপার (৩য় খণ্ড)/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 February 2022, total foreign ownership stood at 4.1% of the total equity market capitalization, which was only 1.7% in December 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 38.2% as of February 2022, followed by BXPHERMA with 29.6%.

Table 8: Top margin companies with highest foreign shareholding as of February 2022

Ticker	Sector	Foreign Shareholding*
BRACBANK	Bank	38.2%
BXPHERMA	Pharmaceuticals & Chemicals	29.6%
OLYMPIC	Food & Allied	27.2%
RENATA	Pharmaceuticals & Chemicals	22.9%
ISLAMIBANK	Bank	20.5%
DBH	NBFI	19.3%
BSRMLTD	Engineering	17.5%
AAMRANET	IT	15.5%
SQURPHARMA	Pharmaceuticals & Chemicals	14.3%
VFSTDL	Textile	13.6%

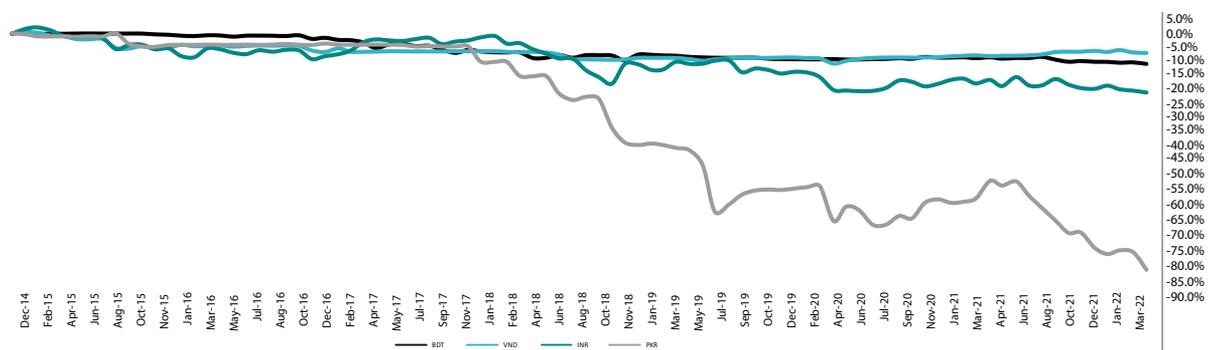
Source: DSE

*Latest Data for Foreign shareholding available on DSE are as of February, 2022.

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 10.6% against US Dollar, other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) lost 6.8%, 20.4% and 81.9%, respectively.

Five year's relative performance of BDT and peer currencies



Source: Investing.com

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