

IDLC MONTHLY

BUSINESS

REVIEW



**FULFILLING THE DEMAND FOR
RED MEAT THROUGH CATTLE FATTENING:
AN AVENUE FOR INCOME
GENERATION FOR
THE MARGINALISED PEOPLE**



গত দুই বছর স্বপ্নজয়ের গল্প শুনেছি সেরা ১২
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Fulfilling the Demand for Red Meat through Cattle Fattening: An Avenue for Income Generation for the Marginalised People

The cultural identity of a nation is a lot expressed through its cuisine. Being a nation appreciated for its culinary arts and multi-cultural cuisines, red meat has managed to occupy a place on our plates, especially on days that are a bit more festive than others. Red meat is considered not only a festive delicacy but also a highly desirable food for us due to its mouth-watering taste, high protein content, and minerals. There is a growing demand for meat in Bangladesh due to changing dietary habits and rising incomes. The high price of red meat, high demand, and hurdles in the importation of cattle from India have made cattle farming and fattening a fast-growing agribusiness over the last decade. As a result, significant interest propelled in from farmers and investors in the cattle business.



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Fulfilling the Demand for Red Meat through Cattle Fattening: An Avenue for Income Generation for the Marginalised People

Cattle fattening has gained much popularity in Bangladesh due to its lucrative profit margin, quick payback period, and the minimal amount of investment it requires. Many small farms have entered the business, taking advantage of high demand and a supply shortage, thanks to India's ban on cattle exports. Meanwhile, several cattle farming and fattening clusters have emerged in the north-western regions of Kushtia, Sirajganj, Pabna, and Munshiganj.

Bangladesh's meat processing industry, including forward integration, has demonstrated its potential to grow at a CAGR of 6.11% between 2024 and 2028. To unlock the full potential of meat processing, fattening practices need to be scaled and run throughout the year, rather than going for seasonal fattening targeting Eid al-Adha.

Just like other sectors, it faces challenges that include rising feed costs, low yields of indigenous breeds, financing gaps, and the influence of middlemen restricting market access. In this context, improving breed selection and genetics through advanced research, channelling specialised financing programmes, promoting direct market links, and advocating for policy reforms are crucial. Moreover, collaboration among stakeholders, targeted interventions, and capacity building are essential to forging ahead.

Md. Shah Jalal

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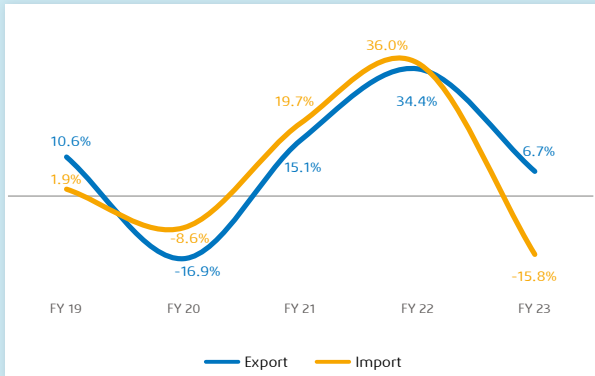
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ECONOMY AT A GLANCE

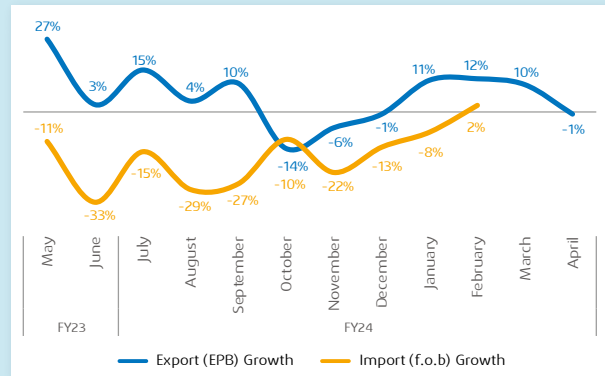
Prepared by IDLCSL Research Team

EXPORT-IMPORT

Growth in Export-Import Trade (Last 5 Years)

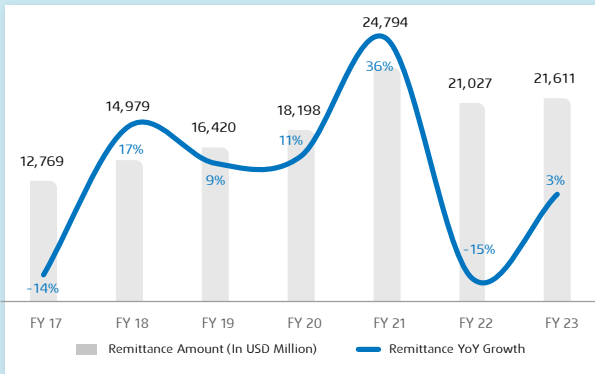


Export and Import Growth (Last 12 Months)

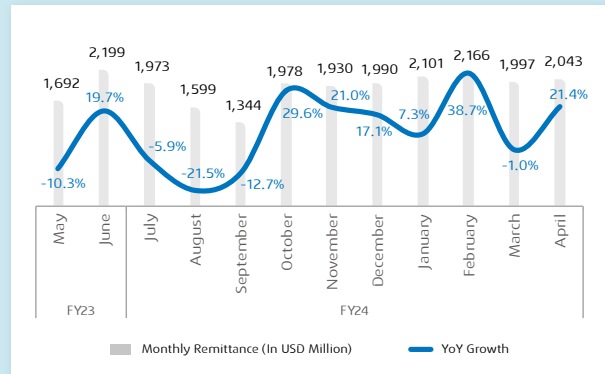


REMITTANCE

Remittance Amount (In USD Million and YoY Growth)

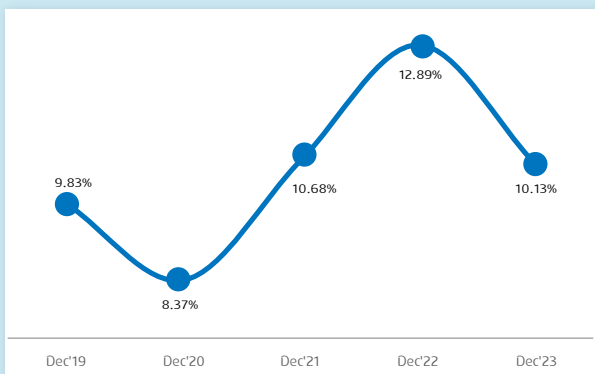


Monthly Remittances (In USD Million and YoY Growth)

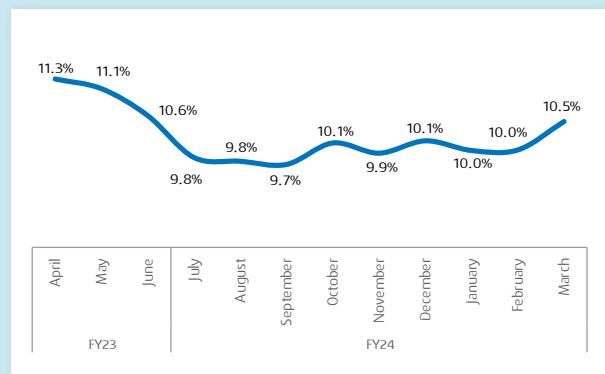


PRIVATE SECTOR CREDIT GROWTH

Private Sector Credit Growth (Last 5 Years)



Private Sector Credit Growth (Last 12 Months)



■ MONTH IN BRIEF

● As per the draft budget documents of the finance ministry, the target for VAT and supplementary duties collection by the National Board of Revenue in **FY2024–25 has been raised to BDT 240,000 crore from the existing revised target of BDT 158,066 crore in FY2023–24.**

● At a meeting held on March 21, 2024, the cabinet committee on economic affairs decided that electricity and gas supply will no longer be provided to new factories unless they are established in government-designated economic zones or industrial enclaves.

● In a circular published by Bangladesh Bank on April 08, 2024, it has been declared that term loans will be treated as overdue after three months of non-repayment, and the declaration will be effective on September 30, 2024.

● According to a report from the finance division, spending on interest against loans amounted to **BDT 50,223 crore in July 2023–December 2023, surging by around 26% from the corresponding period of the previous year, amounting to BDT 39,925 crore.**

● A year-on-year negative growth of 0.99% has been observed in export earnings in the month of April 2024 after three consecutive months of positive growth, as per the data of the Export Promotion Bureau. **Export earnings amounted to USD 3.92 billion in April 2024, whereas it was USD 3.96 billion in the same month of the previous year.**

● As per the data from the Bureau of Manpower, Employment, and Training, **74,679 workers flew abroad in March 2024 for employment, and the figure is 0.50% higher in comparison to the previous month.**

● The World Bank has projected the real GDP growth of Bangladesh to **be 5.6% in FY2023–24 and to rise to 5.7% in FY2024–25.**

● In a meeting held on April 04, 2024, the outline of the budget for FY2024–25 was finalised by **the finance ministry. The outline states the budget size to be BDT 796,900 crore.**

● The government's recurrent expenses have been projected to increase from **8.7% of gross domestic product in FY2023–24 to 9% in FY2024–25. It has been projected to rise further to 9.5% in FY2025-26.**

● For the Record

WE HAVE MADE SOME IMPROVEMENTS IN THE OVERALL BALANCE OF PAYMENTS. OUR CURRENT ACCOUNT BALANCE IS ALSO ON THE POSITIVE SIDE. HOWEVER, THE DEFICIT IN THE FINANCIAL ACCOUNT HAS INCREASED, WHICH IS NOT FAVOURABLE FOR OUR EXTERNAL BALANCE.

Zahid Hussain, Former Lead Economist of the World Bank, on financial account deficit exceeding USD 8 billion. (April 04, 2024. The Business Standard.)

Due to several job-related issues, the government is prioritising high-quality migration. This has led to stricter regulations on sending people abroad, resulting in a lower overall staff turnover rate.

Ali Haider Chowdhury, Secretary General of the Bangladesh Association of International Recruiting Agencies, on the positive outlook for jobs abroad in the upcoming months. (April 04, 2024. The Business Standard.)

Global inflation rates are elevated, with Turkey's rate exceeding 60%. Despite this, our rate remains below 10%. For the upcoming financial year, our budget preparation is geared towards controlling food inflation at any cost.

Waseqa Ayesha Khan, State Minister for Finance, on the FY2024–25 budget aiming to curb rising food costs. (April 05, 2024. The Business Standard.)

Establishing industries at specific locations will ensure proper land and energy management as well as environmental development.

Mahbubul Alam, President of the Federation of Bangladesh Chambers of Commerce and Industry, on the decision to not provide electricity and gas supply to new factories outside economic zones and industrial estates. (April 09, 2024. The Daily Star.)

Whenever the month of Ramadan arrives, we see an increase in the prices of some food items here. Additionally, due to Eid, the prices of non-food items have also risen.

Dr Mustafa Kamal, Executive Director of the Institute for Inclusive Finance and Development, on inflation in March 2024 rising to 9.81%. (April 09, 2024. The Business Standard.)

Extending deadlines often leads customers to delay repayments unnecessarily. Shorter loan durations facilitate quicker recovery, reduce Non Performing Loans (NPLs), and enhance the banking sector's liquidity.

Emranul Huq, Managing Director and CEO of Dhaka Bank, on Bangladesh Bank tightening loan classification rules. (April 09, 2024. The Business Standard.)

The Bangladesh Bank will not approve any further bank mergers in the next three years. New mergers may be considered if necessary after the banks involved in the current five proposals are merged.

Md Mezbaul Haque, Executive Director and Spokesperson of Bangladesh Bank, on the central bank's plan to approve no more mergers. (April 15, 2024. The Business Standard.)

With the high inflation and interest rates persisting, investors' appetite for high-risk high-return fields like startups has been subdued, be it they are global or local.

Shawkat Hossain, Director of Venture Capital and Private Equity Association of Bangladesh, on investments in Bangladeshi startups dropping by 70% quarter on quarter. (April 22, 2024. The Business Standard.)

WORLD ECONOMIC INDICATOR

Country	Nominal GDP: 2022 (In USD Billion)	Real GDP Growth: 2022 (Yearly % Change)	Inflation Point to Point (%)		Current Account Balance: (% of GDP)	Interest Rates (%), Ten Years Treasury Bond	Currency Units (Per USD)
Frontier Markets							
Sri Lanka	75.30	-8.66	1.50	April-24	-1.94	13.29	299.30
Vietnam	406.45	8.02	4.40	April-24	-0.88	2.80	25,453.50
Kenya	115.99	5.37	5.00	April-24	-4.72	18.01	130.97
Nigeria	477.38	3.25	33.20	March-24	-0.72	19.46	1,457.34
Bangladesh	453.85	6.03	9.81	March-24	-0.70	12.15	110.00
Emerging Markets							
Brazil	1,924.13	2.90	3.69	April-24	-2.91	11.72	5.14
Saudi Arabia	1,108.15	8.74	1.60	March-24	13.79	N/A	3.75
India	3,386.40	6.83	4.85	March-24	-2.61	7.12	83.49
Indonesia	1,318.81	5.31	3.00	April-24	1.00	7.12	16,106.70
Malaysia	407.92	8.69	1.80	March-24	2.64	3.96	4.73
Philippines	404.26	7.60	3.80	April-24	-4.41	6.94	57.75
Turkey	905.53	5.57	69.80	April-24	-5.38	27.50	32.21
Thailand	536.16	2.64	0.19	April-24	-3.26	2.80	36.77
China	18,100.04	2.99	0.30	April-24	2.31	2.30	7.23
Russia	2,215.29	-2.05	7.70	March-24	10.27	14.71	91.63
Developed Markets							
France	2,784.02	2.61	2.20	April-24	-1.71	3.01	0.93
Germany	4,075.40	1.78	2.20	April-24	4.20	2.50	0.93
Italy	2,012.01	3.68	0.90	April-24	-0.73	3.85	0.93
Spain	1,400.52	5.48	3.30	April-24	1.06	3.29	0.93
Hong Kong	360.98	-3.51	2.00	March-24	10.73	3.82	7.81
Singapore	466.79	3.65	2.70	March-24	19.33	3.35	1.35
United States	25,464.48	2.07	3.50	March-24	-3.64	4.48	1.00
Denmark	390.68	3.62	0.80	April-24	12.82	2.49	6.91
Netherlands	993.68	4.52	2.70	April-24	5.49	2.80	0.93
Australia	1,701.89	3.66	3.60	March-24	1.20	4.37	1.51
Switzerland	807.23	1.70	1.40	April-24	9.84	0.73	0.91
United Kingdom	3,070.60	4.05	3.20	March-24	-5.55	4.19	0.80

Bangladesh Data: The new GDP size (FY23) is as per the provisional estimate of Bangladesh Bureau of Statistics and real GDP growth (FY23) is as per new base year. Calculation Method of CA balance (% of GDP) = CA balance of FY23 /Provisional Estimate for GDP of FY23.

Interest rate (%) 10 years TB as per April 2024, Inflation as per March 2024 and Currency Unit (per USD) as per 8th May 2024 are sourced from Bangladesh Bank.

Nominal GDP: Data of all countries apart from Bangladesh is sourced from IMF estimates of 2023 data (April, 2023 Outlook).

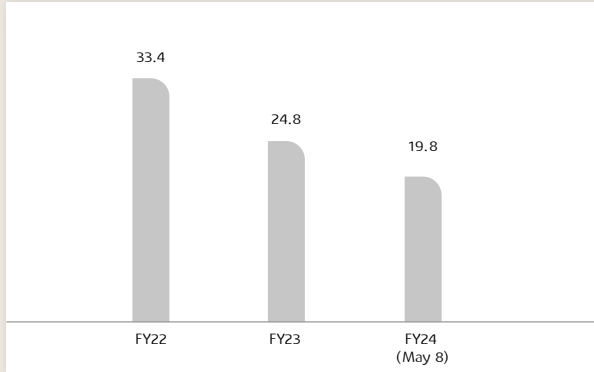
Real GDP Growth and Current Account Balance: Data of all countries apart from Bangladesh is sourced from IMF estimates of April, 2023 data (World Economic Outlook, April 2023).

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

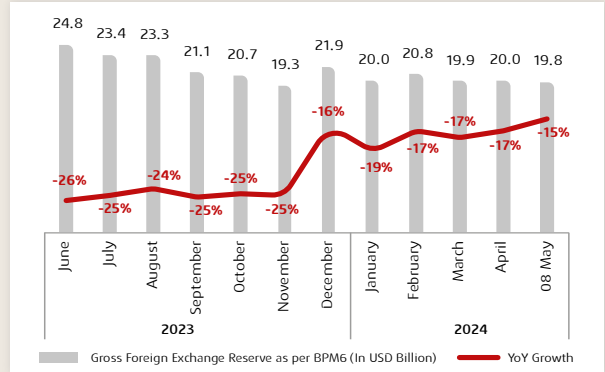
Interest Rates 10 Years TB and Currency Unit : Data of all countries apart from Bangladesh is sourced from investing.com.

BANKING DATA CORNER

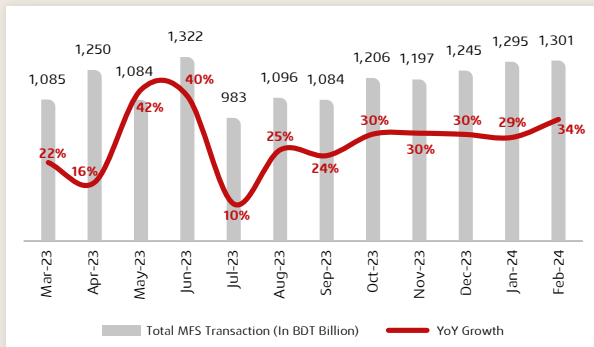
Gross Foreign Exchange Reserve as per BPM6
(In Billion USD and Last 2 Years)



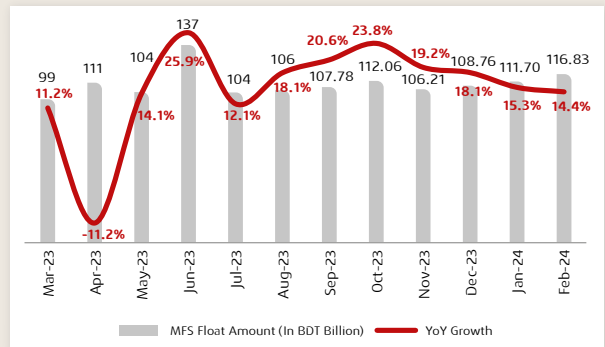
Gross Foreign Exchange Reserve as per BPM6
(In USD Billion and Last 12 Months Trend)



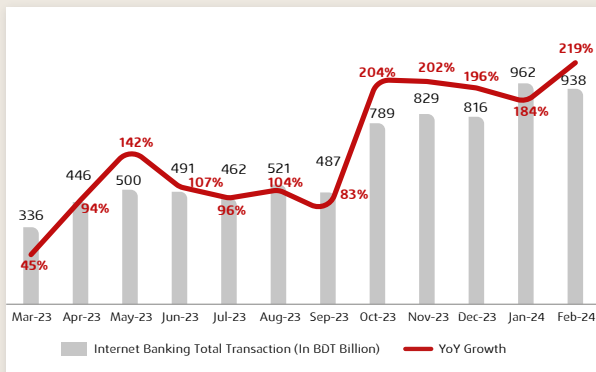
MFS Total Transaction Value
(In BDT Billion and YoY Growth)



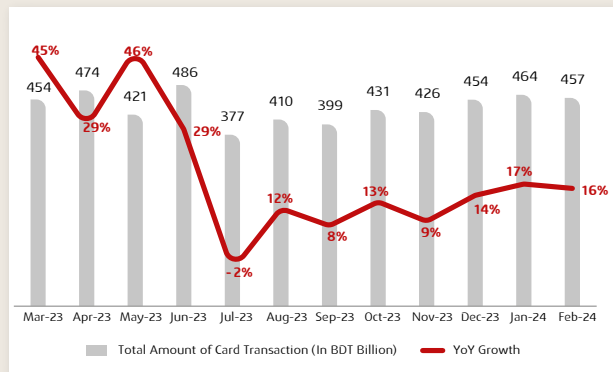
MFS Float Amount
(In BDT Billion and YoY Growth)



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



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



Source: Bangladesh Bank

Bimafy



Alvi Nizam

Co-founder and CEO, Bimafy

Interviewed By

Akhlaqur Rahman Sachee, Team MBR

Formed in 2019, Bimafy is the first online insurance marketplace in Bangladesh. The startup is currently working with eight insurance companies to provide their retail solutions online and is also providing tailored solutions with embedded policies across multiple companies in the country. Bimafy works with currently available technology to enable and enhance insurance policy distribution, individual management of policies, product design, claim management, and user understanding. The co-founder and CEO, Mr. Alvi Nizam, worked in multiple roles at the largest general insurance company, the most recent of which was heading their research before the formation of Bimafy. He also worked with multiple other insurance companies at some point in his career, including both life and general insurance. He has an interest in FinTech technologies and hopes to help build a better transaction and risk management infrastructure for the country and contribute globally. Team MBR was in a conversation with the founder and CEO of Bimafy, Mr. Nizam, and had the opportunity to learn about his inspirations behind forming the startup and his future aspirations surrounding Bimafy.

Akhlaqur Rahman Sachee: You yourself worked for one of the most prominent insurance companies in Bangladesh for around two years and later founded Bimafy in 2019 with the aim of making insurance solutions available to everyone on a digital platform. Would you kindly share with us how your past experience helped you form the startup? And what were your motivations for coming up with the idea to form the first digital insurance platform in Bangladesh?

Alvi Nizam: During my tenure with an insurance training organisation, I collaborated with numerous insurance companies, gaining valuable

insights into the industry. Additionally, my role in the research wing of an insurance company provided me with an opportunity to delve deeply into the insurance landscape of Bangladesh and similar markets worldwide.

Throughout my career, I have engaged in countless discussions and worked in multiple roles in the insurance industry, exploring the reasons why Bangladesh is yet to reach global standards in the insurance industry. It became apparent that leveraging modern technology is essential for advancing insurance solutions globally.

Seeking to gain a better understanding of technology, I transitioned to a tech company after leaving the insurance industry. However, my

calling for revolutionising the insurance sector persisted. Alongside an ex-colleague from an insurance company, a client working with micro-insurance, and a developer friend who had just arrived in Bangladesh, we embarked on a journey to effect change and improve people's lives through innovative insurance solutions.

Akhlaqur Rahman Sachee: There are numerous factors that determine the right insurance policy for an individual, e.g., the risks for which coverages are needed, the expected amount of coverage, the budget for insurance premiums, and so on. May we know how Bimafy helps its clients pick the right insurance products for them?

Alvi Nizam: When determining the usefulness of an insurance policy, several factors come into play. Firstly, the purpose of the coverage. For example, protecting against financial disruption in the event of a mishap that affects a parent's financial stability, impacting their children's lives, Next, the type of coverage needed and the optimal coverage amount to safeguard assets effectively. For instance, in Bangladesh, there are two popular types of health insurance policies: one providing a fixed daily payment during illness and another reimbursing total expenses incurred. It is essential to evaluate which type suits your needs best, considering that preferences vary from case to case. Additionally, the coverage limit. It is important to determine the amount necessary to cover potential expenses during a health hazard, ensuring compatibility with preferred healthcare facilities. Budgetary considerations also play a crucial role. The clients need to balance expected expenditures against the insurance policy's coverage to arrive at an appropriate spending plan.

The Bimafy platform offers comprehensive assistance in this process. Users can explore policies from multiple insurance companies, compare types of coverage, and select policies tailored to their needs. With access to a wide range of options with various prices and propositions in one place, users can make informed decisions and enjoy the convenience of a premium claims service with a free claims assistance program. The platform also provides easy access to information

about policies and insurance companies to compare, order, and stay at ease.

Users also benefit from the Bimafy app, which facilitates policy management, provides updates, and offers additional benefits. Ultimately, Bimafy aims to streamline the insurance journey for users, from inquiry to delivery, ensuring a seamless and efficient experience.

Akhlaqur Rahman Sachee: The global average insurance penetration ratio was around 7% in 2021, whereas it was merely 0.46% in Bangladesh, which clearly indicates the reluctance of the individuals here to subscribe to insurance policies. Would you kindly share with us how Bimafy is raising awareness among the masses to address this issue?

Alvi Nizam: Bimafy is dedicated to creating informative content that educates users about the benefits of insurance. From the outset, we prioritise informing individuals about the practical uses of policies and the importance of insurance coverage. Our online platforms, including the website and other digital channels, are designed to be informative yet intuitive. We have implemented features to guide users through the insurance selection process, ensuring they are well-informed about the policies they are considering. When comparing policies on Bimafy, users can easily identify and understand the features, with transparency being ensured throughout the decision-making process.

Our efforts to raise awareness extend beyond traditional marketing channels. We are actively engaged with social media communications, disseminating knowledge about the benefits and uses of insurance. We have published multiple case studies and research articles. We also collaborate with third-party partners to amplify awareness about insurance. We have also proactively sought input and support from industry experts and regulators, who have been instrumental in advocating for the benefits of insurance and supporting our initiatives. Together, we have conducted various awareness campaigns and events to emphasise the significance of insurance and insurtech in today's world.



Akhlaqur Rahman Sachee: In 2021, the claim settlement ratio in Bangladesh was around 68%, whereas the global claim settlement ratio was around 98% on average, which is one of the reasons for the Bangladeshi people not being interested in insurance policies. May we know about the screening process that insurance companies have to go through before being onboarded on Bimafy's platform?

Alvi Nizam: In Bangladesh, there are various reasons for issues related to insurance claims. One aspect worth mentioning is that, before 2021, the motor-act liability insurance policy, which was developed around 1984, remained largely unchanged despite significant developments in the automotive industry. Thus, there were no claims, and people who did claim were not even covered in most of the cases, which led to such an issue. Unfortunately, this outdated policy was discontinued in 2021, leaving vehicles on the streets without any form of motor insurance, a situation uncommon in many other countries. However, there is growing awareness of this issue in Bangladesh, prompting the exploration of new policy solutions that are more relevant to users' needs.

At Bimafy, we collaborate with multiple insurance companies, currently hosting policies from eight different providers on our website. We carefully select these companies based on their unique value propositions, whether it is a specific policy or a standout feature. We ensure that we work with compliant companies that are willing to adapt to the usage of technology to make their own processes faster, to commit to deadlines for delivery, to be accessible for communications, and to be prompt in their settlements.

Akhlaqur Rahman Sachee: Bimafy has signed agreements with multiple corporate entities, such as ShareTrip, Foodpanda, Nagad, Aziz Auto, and so on. Would you kindly share with us how corporate entities can benefit from being in partnership with Bimafy?

Alvi Nizam: We collaborate with numerous other companies, offering them significant benefits through the digital enablement of policies and prompt service delivery. These companies manage their policies via the Bimafy B2B portal,

leveraging our digital enablement services. This arrangement also enables them to activate policies in real-time through portals and API connections.

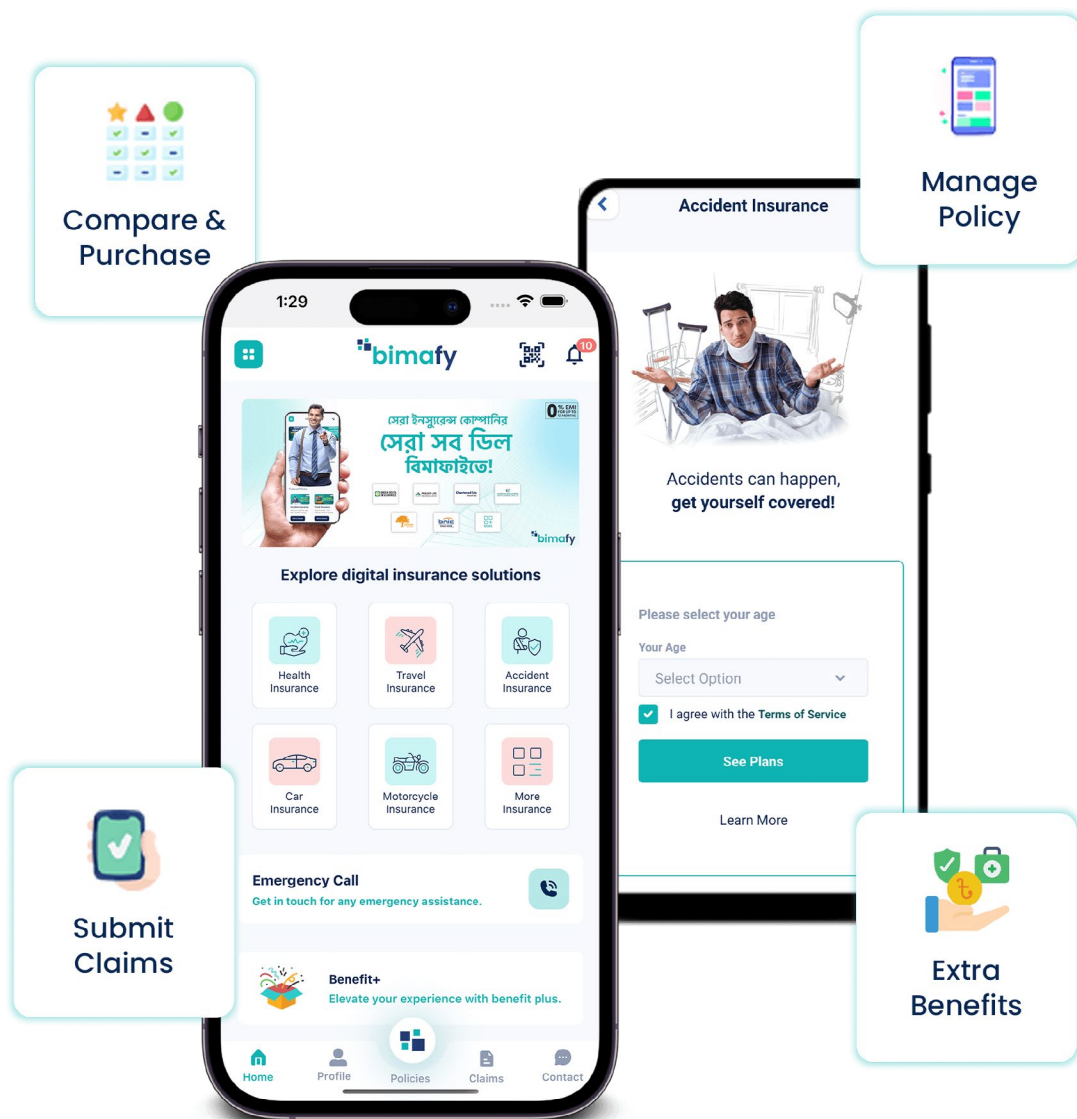
Enabling services digitally can be time-consuming and financially unfeasible for insurance companies. In such cases, we step in to enable policies for these companies. This allows them to focus more on product development and risk management while we handle the service delivery aspect. It is a win-win solution for both parties involved, enhancing efficiency and effectiveness in the insurance ecosystem.

Akhlaqur Rahman Sachee: Bimafy itself is not an insurance company, but it offers insurance solutions to its clients with the help of third-party insurance companies. May we know about the profit-sharing model between Bimafy and its stakeholders?

Alvi Nizam: The revenue model varies between retail and embedded policies. For these policies provided online, we charge insurance companies a digital enablement fee. Insurance companies already have provisions in their policy pricing to adjust for distribution and promotion, so we do not add any additional charges. Therefore, policies on the Bimafy platform are generally priced the same as those sold directly by insurance companies themselves.

Akhlaqur Rahman Sachee: As the claim settlement ratio is low in the country, disputes may often arise regarding claim settlement. How does Bimafy mitigate disputes regarding claim settlement or other complaints from the clients' end?

Alvi Nizam: We assist the clients in organising their claims filing, which helps the clients claim for their policies easily and also in turn helps the insurance companies as they receive an already assessed file for claims, which expedites the filing. This also lessens the disputes since we are also aware of the clauses and terms that we can resolve with the clients before the assessment of the insurance companies. Moreover, the whole journey of a policy purchase is designed to provide organised access to the most information with ease, and hence, when customers come to the platform, they are more aware of what they can do. Even then, if there are disputes, we



meet customers in person to try to resolve any remaining issues and find room for improvement.

Akhlaqur Rahman Sachee: Bimafy is a growing platform that has already raised an investment of BDT 1 crore from Startup Bangladesh Limited. Would you kindly share with us how Bimafy is planning to scale up its operations in the near future?

Alvi Nizam: Bimafy has been strategically navigating the dynamic landscape of the insurance market since its inception, leveraging the initial investment from Startup Bangladesh Limited to

fuel our growth. Recognising the evolving trends in both local and international markets, as well as shifts in investment dynamics and consumer preferences, we have proactively diversified our portfolio to mitigate risks effectively.

As we look ahead, our focus is on optimising operations for scalable growth. While diversification has been instrumental in navigating uncertainties, we are now poised to streamline our operations and double down on areas of strategic advantage. At Bimafy, agility is ingrained in our DNA. We are committed to embracing flexibility and continuously refining our approach to stay ahead of the curve.



FULFILLING THE DEMAND FOR RED MEAT THROUGH CATTLE FATTENING:

AN AVENUE FOR INCOME GENERATION
FOR THE MARGINALISED PEOPLE

Written By
Md. Muntasir Sakib

The cultural identity of a nation is a lot expressed through its cuisine. Being a nation appreciated for its culinary arts and multi-cultural cuisines, red meat has managed to occupy a place on our plates, especially on days that are a bit more festive than others. Red meat is considered not only a festive delicacy but also a highly desirable food for us due to its mouth-watering taste, high protein content, and minerals. There is a growing demand for meat in Bangladesh due to changing dietary habits and rising incomes. The high price of red meat, high demand, and hurdles in the importation of cattle from India have made cattle farming and fattening a fast-growing agribusiness over the last decade. As a result, significant interest propelled in from farmers and investors in the cattle business.

Cattle fattening through prescribed methods is essential to fulfilling the demand for red meat in countries like Bangladesh due to limited grazing lands and dense populations. In addition, it can help smallholder farmers improve their livelihoods, as more yield means more money, along with providing food and nutrition security to the country. Cattle fattening, as the term suggests, is a practice of quickly adding pounds to the livestock by means of feeding them with calorie-

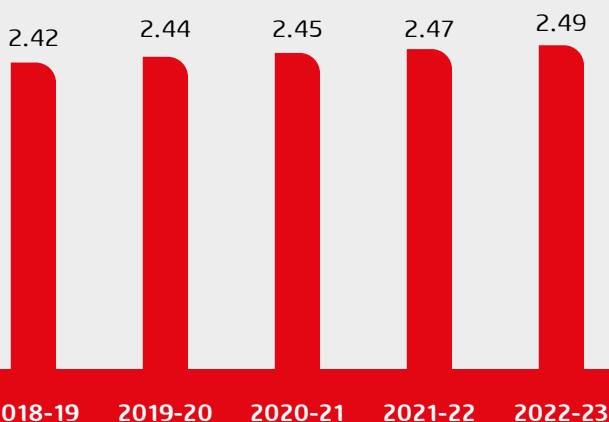
dense and high protein-based diets, limiting the movement of livestock and preventing cattle from shrinking. In addition, cattle fattening practices require dedicated handling of the livestock with care and paying the most attention to prevent parasitic diseases. The fattening practices help meet rising demand by producing high-quality meat in large volumes for the market.

Economic Outlook on Cattle Fattening

Cattle farming, a significant component of the country's agro-economic landscape, has a considerable impact on fulfilling the country's demand for red meat. According to Market Reports World, the global red meat market was valued at USD 458,818 million. Furthermore, the global red meat market is expected to expand at a compound annual growth rate of 6.4% and reach USD 665,788 million by 2028, pointing out significant future potential for the growth of cattle farming and the fattening industry.

A report published by the Department of Livestock Services (DLS) states the total cattle population to be 2.49 crore in FY2022-23, whereas it was 2.42 crore in FY2018-19, providing evidence that the cattle population has remained consistent over the years.

Figure 01: Cattle Population Trend in Bangladesh

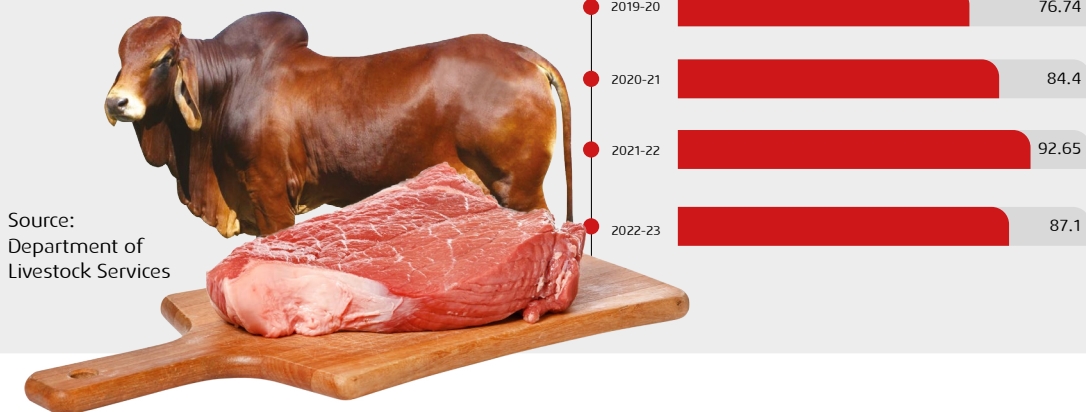


Source: Department of Livestock Services

This consistency in the cattle population can be attributed to the government and the institutes that have been involved in the cattle sector extending their activities during the last decade. Many small farms across the country have also entered this business, and many institutional investors have grabbed the opportunity created by high demand and a shortage in supply due to India's ban on cattle exports. Because of the favourable environment, lots of small farms have been established in the north-western regions of Bangladesh. Especially, cattle farming and fattening clusters have been formed in Kushtia, Sirajganj, Pabna, and Munshiganj. The DLS data also shows that total meat production in FY2022-23 was 87.10 lakh metric tonnes and the demand for meat was 76.08 lakh metric tonnes, leading to a production surplus of approximately 11 lakh metric tonnes. During Eid al-Adha, the demand for cattle spirals up, and the prices keep going

up significantly compared to other times of the year. The demand for cattle during Eid al-Adha is now met exclusively by domestically bred cattle. Indeed, it is a fact that most prominent agricultural corporations and small to medium-sized farms in Bangladesh engage in cattle rearing with the specific aim of catering to the demands during Eid al-Adha. However, self-sufficiency in meat production should have pulled the price of meat down. In contrast, high prices for meat prevail in the market due to increased production costs and inefficiencies in the supply chain. On the bright side, if such a production surplus can be achieved in a persistent manner, it may in turn become a new item in Bangladesh's export basket in the near future. Livestock farming is creating 20% direct agricultural employment and 50% indirect agricultural employment. The DLS report also suggests that livestock farming contributes to 16.52% of agricultural gross domestic product.

Figure 02: Production of Meat in Bangladesh



Impact on Livelihood

Cattle fattening is a growing sector that delivers job and financial opportunities for the rural poor, particularly individuals who are landless, divorced women, and so on. Cattle fattening can provide a pathway to self-employment for individuals interested in agriculture and livestock production. It allows individuals to independently determine the size and extent of their cattle fattening

activities according to their available resources, expertise, and market prospects. In the long run, successful individuals can vertically integrate their beef-fattening businesses by getting involved in breeding and meat processing.

In Bangladesh, mixed farming methods are mostly followed, such as complementary farming of crops and livestock, to ensure better utilisation of labour and capital. Cattle fattening

provides an extra mile to the incomes of these rural households depending on agriculture for livelihood. Farmers and businesses strategically schedule cattle-fattening endeavours to take advantage of market conditions. Most ranchers who target Eid al-Adha execute 3 to 4 month fattening regimens to maximise profits. Naturally fattened cattle provide high-quality cuts or processed meat items with enhanced value. As a result, farmers or businesses generally demand higher prices in the market, enhancing their earning potential.

Through cattle fattening, women get the opportunity to generate income independently, which allows them to contribute to household finances and have greater financial autonomy. Along with providing job opportunities for local communities, cattle fattening improves skills like animal husbandry and financial management. Women involved in cattle fattening can develop and enhance these skills, which can empower them to take on leadership roles within their households and communities. It can challenge traditional gender roles and stereotypes, leading to greater respect and inclusion for women in society. As a result, women may experience greater recognition and respect from their peers and family members.

Cattle Fattening Process

Successful cattle fattening necessitates meticulous planning, management, and attention to satisfy the needs of the market and achieve financial goals. Initially, farmers choose youthful and robust cattle with favourable genetic potential for rapid growth. Cattle are fed a properly balanced diet to ensure healthy growth and fat deposition. This diet frequently consists of high-energy feedstuffs, including roughages (hay, silage, etc.), protein supplements (soybean meal, cottonseed meal, etc.), and cereals (corn, barley, wheat, etc.). During the fattening phase, cattle grow very quickly, putting on weight and fat tissue. Farmers keep track of each animal's progress by keeping it under close observation on a regular basis. They observe how fast the animals are growing and alter the diet when required. Cattle are generally raised until they achieve a specific weight and amount of fatness that is appropriate

for slaughter. The duration of the fattening period may vary depending on factors such as the target weight, feed efficiency, and economic factors. Most farmers choose a short fattening period ranging from 3 to 5 months to take advantage of spiked demand during Eid. Others go for a yearlong fattening process.

Challenges

The biggest challenge in small-scale fattening is the high cost of the feeds, as the majority of the feed ingredients are imported. Two mostly used ingredients, maize and soybeans, are imported. On top of that, the prices of maize and soybean meal have increased in the global market, and the appreciation of the dollar against the taka has further contributed to the rising cost of animal feeds. Small-scale farmers are facing challenges in generating earnings like before from cattle farming. The regions of Rangpur, Gaibandha, Kurigram, Nilphamari, and Lalmonirhat produce a substantial quantity of maize. Noakhali and Lakshmipur, on the other hand, produce an abundance of soybeans. If the production of maize and soybeans in these areas can be increased, the country's dependence on imports for raw materials for feeds can be decreased in the long run.

Fattening farms might struggle with illness due to inadequate sanitation and limited veterinary services. Bangladeshi cattle are also prone to diseases like foot-and-mouth, anthrax, and gastrointestinal illnesses. Investments in the construction of veterinary clinics, hospitals, and diagnostic labs across Bangladesh's rural and remote regions are necessary for improvements in veterinary care.

Traders and middlemen may control access to markets because they usually work in well-organised groups. This makes it harder for small farmers to sell their cattle directly to buyers. Cattle prices are often set by middlemen, who buy them from farms at low prices and sell them to traders or stores at higher rates. Farmers have little visibility into the pricing mechanisms and market dynamics. Small farmers may get less money for their animals when prices are manipulated, which lowers their profits and incomes.

Another alarming aspect of cattle fattening is the use of steroids and harmful medicines to achieve faster fattening results. Although the Fisheries and Livestock Act 2010 outlawed the use of hazardous drugs and steroids, 63.7% of producers fatten their cattle with drugs while ignoring safe practices. For consumers, such meat may cause severe diseases like cancer and kidney failure. Even for farmers, taking the shortcut to make excessive profits can result in financial fiascos, as such artificial procedures shorten the life span of the animals.

Weather conditions in Bangladesh, like high temperatures, humidity, and periodic floods, may impact cattle health and feed availability. The other challenges faced in cattle fattening in Bangladesh include insufficient training, limited access to finance facilities, price fluctuations across different marketplaces, and an unorganised marketing system. So, capacity-building programmes will ensure proper resource utilisation, market management, farm management, and financial management for cattle farmers. Moreover, Bangladesh Bank setting minimum credit targets for banks and non-bank financial institutions in the cattle farming sector will help to ensure easy credit access for small farmers. By implementing favourable policies, making strategic investments in infrastructure and technology, and conducting capacity-building efforts, the country may fully use the potential of the cattle-fattening industry to attain its development objectives.

Forward Outlook

Bangladesh is experiencing a rising market for premium beef products due to a shift in dietary trends and increased demand for animal protein.

Cattle fattening offers prospects for enhancing value throughout the value chain, including feed production, animal healthcare services, transportation, and processing. Cattle farmers should opt for year-long fattening plans instead of seasonal fattening targeting Eid. As a result, it will lead to increased meat production.

Self-sufficiency in meat production has opened opportunities to export beef products from Bangladesh, especially to countries with a large number of Bangladeshi expats and a growing demand for halal meat. It is advisable for Bangladesh to obtain certifications, which would enable the country to begin exporting meat and secure a portion of the rapidly expanding global halal food industry. Bengal Meat, a prominent meat processing firm, is already exporting 20% of its production.

Investing in meat processing can open new doors for Bangladesh. Globally, processed meats have gained popularity due to their convenience, longer shelf life, and ease of preparation. However, the processed meat industry is still dormant in Bangladesh. The trading of meat is still dominated by traditional butcher shops, which lack standardisation, product variation, and quality control. The processed meat market is expected to grow at a compound annual growth rate of 6.11% during 2024–2028, according to Statista. The growth of the processed meat industry, together with the inclusion of meat in the export basket, will gain the interest of local and foreign investors. Therefore, it can be expected that the cattle fattening sector may experience a huge inflow of investments if it can sustain the consistency it has demonstrated over the years.



Fahad Ifaz

Co-founder and CEO, iFarmer

Interviewed By

Akhlaqur Rahman Sachee, Team MBR

Mr. Fahad Ifaz boasts over 12 years of experience in South Asian economic development. Before founding iFarmer, he managed a USD 20 million agricultural development fund in Myanmar. Alongside iFarmer, Mr. Fahad currently holds positions at Alice Labs and Misfit Technologies. He earned a Bachelor of Business Administration (Economics and International Business) from North South University and a Master's degree in Agricultural Business and Management from the Asian Institute of Technology. Team MBR was fortunate enough to have a conversation with Mr. Fahad and receive his take on cattle fattening in Bangladesh.

Akhlaqur Rahman Sachee: The number of animals sacrificed on the last Eid al-Adha amounted to approximately 1.25 crore, and it is projected that the figure may go up to approximately 1.50 crore this year, which the country is capable of fulfilling despite the ban on imports of cattle from India. Would you kindly share with us the factors that have made this self-sufficiency a reality?

Fahad Ifaz: Bangladesh's self-sufficiency in cattle production likely stems from a confluence of factors. The factors include various government initiatives, a younger and potentially more educated generation entering the agricultural sector, and the increased availability of online resources and motivational contents for cattle rearing. Additionally, access to quality artificial insemination has improved breeding practices, while rising and stable market prices incentivize farmers. New fattening techniques, investments by large local conglomerates in cattle fattening,

and the introduction of high-yielding fodder varieties have all contributed to a positive impact on the overall industry and increased farmers' interest.

Akhlaqur Rahman Sachee: Cattle-fattening projects are often heard to be profitable, which has made them popular among the farmers involved in livestock rearing. Would you kindly share with us some statistics regarding the impact cattle fattening has created on the lives of marginalised farmers?

Fahad Ifaz: Smallholder cattle farmers earn at least 50%–60% profits annually from cattle rearing. Also, farmers can earn increasing returns to scale while incurring lower operating costs compared to other agricultural products. Though there are some risks involved, the rate of return compensates for the risks, and it is more lucrative than most other products. Through cattle rearing, one can achieve financial independence and create employment opportunities for others as

well. In short, cattle fattening has the capacity to impact the lives of marginalised or smallholder farmers, and it has the potential to generate high profitability for them.

Akhlaqur Rahman Sachee: Pabna, Sirajganj, Kushtia, and some other districts are known to have a higher concentration of cattle-fattening farms. Would you kindly shed some light on the drivers that have made cattle fattening lucrative in these areas?

Fahad Ifaz: Availability of grazing lands, availability of water resources, favourable climates, etc., play significant roles in determining the success of cattle fattening projects. The aforementioned areas, including Pabna, Sirajganj, Kushtia, and so on, boast abundant pasture lands, locally known as 'Bathan', which provide ample grazing opportunities for cattle. Additionally, the fertile lands and favourable climates in these regions are conducive to livestock rearing and fattening. The availability of water resources further supports the growth of this industry, ensuring adequate hydration for the cattle. Hence, due to all the success factors present in these districts, a higher concentration of cattle-fattening farms has been found there.

Akhlaqur Rahman Sachee: Red Chittagong, Pabna, North Bengal Grey, and Munshiganj are some of the most popular indigenous breeds for meat production, though these breeds are far behind foreign breeds such as the American Brahman in terms of yield. What are the possible measures to reap better yields from cattle fattening, in your opinion?

Fahad Ifaz: It is a matter of concern that indigenous breeds lag behind in terms of yield in comparison to foreign breeds. Government-backed institutions, such as agricultural universities, can partner with international research wings. These partnerships can facilitate breeding programmes that select cattle with superior traits. Additionally, increased access to artificial insemination using high-yielding semen from either indigenous or suitable exotic breeds

can further enhance livestock genetics. Research focused on optimising meat yield in local breeds, combined with the development of breed-specific feeding guidelines for farmers, can maximise production efficiency.

Akhlaqur Rahman Sachee: Farmers have been found to use harmful steroids, hormones, vitamin additives, etc. to fatten cattle, and consumption of such cattle meat can cause cancer, kidney failure, and other health complications for consumers. Would you kindly explain the reasons behind farmers' motivation to engage in such harmful practices and how we can regulate cattle fattening?

Fahad Ifaz: The desire for quick profits motivates farmers to use steroids, hormones, and vitamin additives to make the cattle fattening process faster. Farmers often follow these ill practices, being influenced by their peers. Stricter monitoring of slaughterhouses is crucial to regulating such harmful practices and mitigating health risks associated with consuming the meat of the cattle fattened following such measures. However, long-term solutions lie in educating farmers. Raising awareness about the dangers of additives and promoting healthier fattening methods are essential. Addressing knowledge gaps and inadequate understanding of these medicines requires government interventions. Formulating policies and actively promoting responsible practices within the livestock industry can effectively be helpful to regulate cattle fattening and safeguard consumer health.

Akhlaqur Rahman Sachee: Though approximately 800,000 farmers are involved in cattle farming for dairy and meat production, this group of people lacks access to formal lending institutions. Why does this financing gap exist, and how can it be bridged, in your opinion?

Fahad Ifaz: This lack of access to formal lending institutions stems from two key challenges. Firstly, farmers typically lack the formal documentation and financial history required by traditional lenders. Secondly, the limited branch

networks of many public and private financial institutions make it difficult for them to reach rural farmers directly.

These gaps restrict farmers to relying on microfinance or informal lenders, which often do not build up credit scores for them, hindering their access to formal financial products in the future. Solutions like iFarmer can bridge these gaps. iFarmer's performance-based scoring model evaluates farmers based on their transaction history and performance. These data can then be used to create credit profiles to assess creditworthiness, enabling them to access formal financing opportunities. Additionally, iFarmer can act as an information aggregator, connecting farmers with financial institutions and increasing loan accessibility. Furthermore, addressing the issue of collateral requirements in existing lending products could further remove limitations faced by farmers seeking formal loans.

Akhlaqur Rahman Sachee: Though Bangladesh has become self-sufficient in meat production over the years, the price of beef has only kept rising all these years. What are the factors that contributed to this rise in price, you think?

Fahad Ifaz: In Bangladesh, the rising cost of meat production, including feeds, fodders, and medicine costs, has significantly contributed to the increase in beef prices. Moreover, the lack of accessible

low-interest financing options for farmers exacerbates the financial burden of production, limiting their ability to expand operations and invest in modernization. Additionally, the cultural tradition of selling cattle during Eid al-Adha, a significant religious festival, creates a surge in demand during this period, further driving up prices due to limited supply.

Akhlaqur Rahman Sachee: Having access to training and knowledge on the appropriate methodology for cattle fattening can help farmers reap higher profits. Would you kindly give us an overview of the government and private initiatives aimed at educating farmers about cattle fattening?

Fahad Ifaz: To improve profitability in cattle fattening, both government and private entities have undertaken educational initiatives for farmers. These include government projects like the Livestock and Dairy Development Project, which, under its Cattle Fattening Project, provides training programmes supervised by experts at the upazila level. The Department of Youth Development also arranges regular training sessions. Additionally, local and international NGOs, along with other relevant authorities, conduct regular workshops on best practices for cattle fattening. These combined efforts aim to equip farmers with the knowledge and skills needed to achieve higher profits.



THE HANDICRAFTS INDUSTRY IN BANGLADESH:

UPHOLDING CULTURE
AND HERITAGE IN THE
GLOBAL ARENA



Written By
Akhlaqur Rahman Sachee

Handicrafts being declared the product of the year in 2024 signifies their role in women's empowerment, export basket diversification, and representation of our culture and heritage on the global stage. Handicrafts are mostly defined as items that are made with hands or using very basic tools. Though most of these items offer utility and some of them are used for decorative purposes, they are mainly appreciated for their artistic value. The popular handicrafts in Bangladesh include, but are not limited to, potteries, nakshi kanthas, sheetal patis, copperware, brassware, bamboo-made items, woodworks, jute crafts, paper crafts, cotton apparels, silk apparels, jewellery made of gold and silver, traditional dolls, pearl jewellery, vases, and so on. Handloom weaving also falls under the category of handicrafts. Weavers in Tangail, Joypurhat, Pabna, Kushtia, Dhaka, and some other districts are well appreciated for their handloom sarees. These handicrafts are not only a source of livelihood for the artisans but also a signature of our cultural legacy.

Contribution to the Economy

Handicrafts require raw materials that are locally sourced and found in nature. Handicrafts support the livelihood of the artisans and promote our cultures and traditions. As a result, the production of handicrafts is surely contributing to the sustainable socio-economic development of the country. According to the Survey on Handicraft Establishments, Bangladesh 2022, the total number of handicraft establishments in the country is 73,542. 51.20% of these establishments are headed by women, and 48.80% of these establishments are headed by men. These establishments have employed around 150,000 people. Out of them, 55.80% are female, and the rest are male. Total investments made in fixed assets in the handicrafts sector amount to BDT 3,609.80 crore, and the total sales of these establishments in 2022 was BDT 2,430.24 crore.

Table 1: Top Five Handicraft Establishments

Establishment Type	Total Establishments	% of Total Establishments	Gross Output (In BDT Crore)
Bamboo and Cane Industry	32,224	43.80%	1039.2
Pottery and Tepa Puppetry	14,108	19.20%	587.5
Nakshi Kantha Crafts	6,517	8.90%	169.3
Kurushkanta Product Industry	5,699	7.70%	105.7
Sheetal Pati (Carpet)	3,538	4.80%	82.0

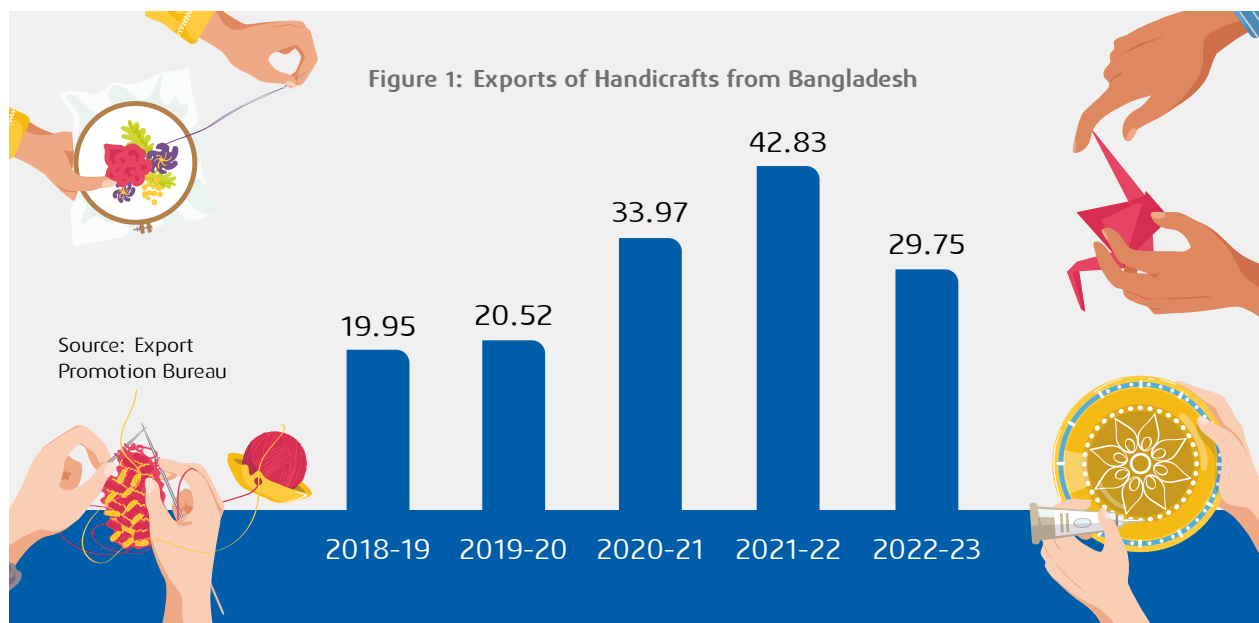
Source: Survey on Handicraft Establishments, Bangladesh 2022

It has been observed that handicraft establishments have formed clusters of homogenous businesses all over the country. Dhaka is known for benarasi, jewellery, brassware, and copperware. Handloom sarees from Tangail are much appreciated. Narayanaganj is famous for jamdani and maslin. Sheetal pati, nakshi kantha, and jewellery businesses have grown in Faridpur. Narsingdi is famous for its lungi, gamchaa, and cotton sarees. Khadi of Comilla is loved by everyone. There are also numerous clusters all across the country.

Export of Handicrafts

An organisation of handicraft entrepreneurs, the Bangladesh Handicrafts Manufacturers and Exporters Association (Banglacraft), actively promotes the export of handicraft items from Bangladesh. According to the organisation, handicrafts from Bangladesh are exported to 50 countries, including the United States, France, Germany, Spain, Holland, Belgium, Japan, and so on. 80% of the handicrafts are exported

to European countries, and these items include nakshi kanthas, nakshi bedsheets, home decor, carpets, hand-knit fabrics, terracotta, earthenware, jute-made products, bamboo items, etc. According to the Export Promotion Bureau, the country exported 29.75 million worth of handicrafts in FY2022-23, and the amount of exports of handicrafts in FY2022-22 was USD 42.83 million.



To promote the export of handicrafts from Bangladesh, there should be initiatives to connect local producers with foreign buyers. Small-scale handicraft producers often lack the expertise to reach foreign buyers. Arista Export is such a global export-import platform that connects popular handicraft suppliers to foreign buyers. Multiple Bangladeshi organisations, for instance, Aarong, export handicrafts from Bangladesh to several countries. These organisations are playing significant roles in upholding our culture and heritage globally and increasing the popularity of our handicrafts at home and abroad.

Access to Financing

It has been observed that handicraft establishments rely on NGOs mostly for financing. Formal lenders face challenges in financing handicraft establishments due to lack of collateral, lack of documents, the absence of transactions over bank accounts, the absence of a repayment history, and so on.

Table 2: Distribution of Lending Institutions

Institutions	Percentage of Lending (%)
NGO	86.70%
Bank	7.60%
Government Organisations	4.70%
SME Foundation	4.60%
Private Organisations	1.90%
Joyeeta Foundation	0.10%

Source: Survey on Handicraft Establishments, Bangladesh 2022

To resolve these issues, formal lenders can introduce scorecard-based credit assessment, where handicraft businesses will be assessed based on their future potential. Also, the requirements for documents need to be relaxed to finance these handicraft businesses.

Challenges

The handicrafts industry has not been able to unlock its full potential. The industry is facing

challenges such as shortage of capital, shrinking customer base, sluggish economy, inefficient marketing, scarcity of raw materials, rising labour costs, shrinking profit margin, rising energy costs, and so on. At least 82.20% of the handicraft business faces challenges due to a shortage of capital, according to the Survey on Handicraft Establishments, Bangladesh 2022, and 46.50% are suffering from declining sales due to a shrinking customer base. To address these issues, financing for handicrafts businesses on easier terms, vocational training, availability of raw materials, branding of Bangladeshi handicrafts products to the global customer base, and mass awareness need to be ensured. To ensure access to finance for handicraft entrepreneurs, the central bank can set targets for lending to the handicraft

sector for formal lenders. B2B platforms should come up to raise awareness about Bangladeshi handicraft items among international buyers and take initiatives to connect the local handicraft producers with foreign buyers.

In Bangladesh, handicraft items are mainly produced by non-technical individuals who do not have an understanding of quality, lack knowledge about accessing international markets, and do not have the expertise for product development. The sector has the potential to progress further if experts with relevant knowledge actively engage with it. There is still a need for intensification of efforts towards the promotion of handicraft items to unlock their full potential to represent Bangladeshi culture and heritage in the global arena.



Interactive Cares



Jamila Bupasha Khushbu

Co-founder and COO, Interactive Cares

Interviewed By

Akhlaqur Rahman Sachee, Team MBR

Interactive Cares is one of the leading EdTech startups in the country, aiming to upskill learners and help them secure jobs. The startup recognises the industry-academia gap and designs the courses in a manner so that the learners develop the most sought-after skills. Interactive Cares has partnerships with more than 60 organisations that rely on the startup to hire talent. The startup has already received multiple prestigious investments and grants from Accelerating Asia, Open Campus Accelerator, Bangabandhu Innovation Grant, and so on. Team MBR was in a conversation with the co-founder and COO of Interactive Cares, Ms. Jamila Bupasha Khushbu, and learned about the inspirations behind Interactive Cares and her aspirations for the startup.

Akhlaqur Rahman Sachee: Interactive Cares is a startup in the EdTech niche that focuses on equipping learners with industry-oriented skills and making them ready for the job market. Would you kindly share with us how you and your co-founder came up with the idea?

Jamila Bupasha Khushbu: Well, this is a very interesting story. Prior to the formation of Interactive Cares, I used to work for one of the most renowned learning institutions in Bangladesh as an instructor. During that time, I realised that everyone is focused on traditional

learning, which is keeping the young generation from being skilled, whereas if we look into our neighbouring countries or developed countries, their young generation is focused on both traditional knowledge and technological skills, which is making them ace in their job field. As a result, 66% of the graduates remain unemployed every year in Bangladesh. Another co-founder, Rare Al Samir, is an ex-military officer, and he had another business involving education before starting Interactive Cares. So, these pre-start-up job experiences made us realise that we needed to contribute to this education sector and make people both skilled and employable.

Akhlaqur Rahman Sachee: As per Tracxn, there are more than 300 EdTech startups in Bangladesh. May we know how Interactive Cares distinguishes itself from other EdTech startups in the country?

Jamila Bupasha Khushbu: The name Interactive Cares itself is a distinguishing factor because we offer up-to-date education through interaction and care. We are exceptional because of our blended curriculums, student-friendly services, and job placement services. At Interactive Cares, our goal is to equip the learners with marketable skills so that they are in demand in the job market. Our effort to teach our learners in-demand skills and facilitate their journey to be absorbed in the job market distinguishes Interactive Cares from other EdTech startups.

Akhlaqur Rahman Sachee: Under the ‘Career Path’ programmes, learners can equip themselves with the skills on trend, such as web development, data analytics, UI/UX designing, graphic design, and so on, and explore job placement opportunities at the partner organizations. Would you kindly share with us some statistics regarding the number of enrolled students and the success rate in terms of landing jobs?

Jamila Bupasha Khushbu: As of now, Interactive Cares offers 130 courses. Courses under Career Path have been designed by the top professionals in the country in their respective fields. For instance, Hasin Hayder, Sumit Saha, Md. Shamim Hassan, and Saidur Rahman Setu are some of our respected faculties. Currently, we have more than 150,000 students and more than 350,000 talents in the pipeline. Among them, we have placed 6,500 talents successfully at various reputed organisations.

Akhlaqur Rahman Sachee: While offering online education, it is difficult to incorporate assignments, projects, tailored feedback for individuals, additional support beyond the course contents, and so on. May we know

how Interactive Cares addresses these issues while offering the courses?

Jamila Bupasha Khushbu: Interactive Cares has a wonderful teaching panel consisting of lead and support instructors. For every career path, we have three lead instructors, two support instructors, and one class manager, along with our core team. Support instructors are facilitating assignments and projects with the help of lead instructors. Also, they are taking conceptual classes, mock interviews, and support sessions twice a day to give the students an exclusive learning experience. Also, we have class managers to manage the students, respond to their queries regarding anything, arrange batch days to motivate the students, and so on. In short, we have developed a total ecosystem to satisfy the learners and take them a step ahead in their respective careers.

Akhlaqur Rahman Sachee: Interactive Cares has partnerships with more than 60 organisations that recruit from the student pool of Interactive Cares. Would you kindly share with us how an organisation can benefit from such partnerships and how Interactive Cares grooms its students and makes them job-ready for its partner organisations?

Jamila Bupasha Khushbu: Right now, we have more than 60 companies in our portfolio, and we are providing them with vetted talents. We are providing these companies with our top talents, who have performed tremendously well in our career paths, securing 80%–100% marks, along with the mock interviews and job preparation module. The talents have to go through a customised task-based round that is made based on the company’s job description. Through this round, we check whether that person is a cultural fit or not. After that, we send the list to our partnered companies. This whole process is run by AI, which is incorporated into our website. We also have an AI-based customised CV/resume maker, sorter, and customised cover letter maker, which help the students build their unique CV/resume.



Akhlaqur Rahman Sachee: Interactive Cares has been awarded a prestigious grant of USD 100,000 from Open Campus Accelerator this year. Would you kindly share how this grant is going to support the upcoming plans of Interactive Cares?

Jamila Bupasha Khushbu: Being awarded this grant of USD 100,000 from Open Campus Accelerator is surely a matter of prestige, and this grant will be a huge boost for Interactive Cares. Utilising this grant, we will accomplish our goal of bringing more technology-focused courses such as AI, machine learning, blockchain, etc., which will help the talents get placements in global companies.

Akhlaqur Rahman Sachee: Would you kindly share with us the challenges you faced as a woman in your entrepreneurial journey? How did you overcome those challenges?

Jamila Bupasha Khushbu: Being the only woman entrepreneur in my entire family, I have never been encouraged to be an entrepreneur because everyone knows how much hardship one can face in the entrepreneurial journey. My family always wanted me to be a government employee. But from a very early age, I had the aspiration to

work in the social sector. And I served in a lead operational role in a Sustainable Development Goal 5-based NGO before starting Interactive Cares. Seeing my sheer interest in this sector, my family finally started supporting me in my journey. My parents raised me in such a way that I never felt that I was any less than a man. I was made a very independent person from my childhood, and that made my entrepreneurial journey easier. Also, my husband and my sisters were always there to support me. So, the challenges I faced never seemed like a burden with these people beside me.

Akhlaqur Rahman Sachee: Education, whether that is online or offline, is surely a noble sector to pursue a career in. Do you have any suggestions for the aspiring women who want to follow in your footsteps?

Jamila Bupasha Khushbu: I am too young to give any suggestions. But I want to mention some useful hacks. Firstly, believe in yourself and never think less of yourself. Secondly, be very open to receiving feedback and working on it. Thirdly, learn and upgrade yourself every day with new skills and knowledge. Also, help others within your limits and respect everyone. Lastly, never compromise with all you have; compromise where necessary.



CAPITAL MARKET REVIEW

Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market closed the month of April in negative territory. During the month, the broad index DSEX, blue chip index DS30 and Shariah index DSES declined by -4.2%, -1.3% and -3.1% respectively.

Among the regional peers, Pakistan and Sri Lanka reported a positive return of 6.1% and 8.0% respectively while Vietnam reported a negative return of -5.8%. MSCI Frontier Markets Index declined by -2.6% in April. Over 5-year horizon, Sri Lanka (+125.7%) yielded the most encouraging return.

Table 1: Equity market performance of Bangladesh and peer countries

Indices	Index Points, April 2024	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	5,584.6	-4.2%	-9.2%	-10.6%	-10.8%	1.9%	7.3%
DS30	1,995.3	-1.3%	-5.2%	-4.7%	-9.4%	-5.5%	8.0%
DSES	1,227.5	-3.1%	-9.2%	-10.0%	-9.7%	-1.8%	1.9%
Peer Countries							
Pakistan (KSE 100)	71,102.6	6.1%	13.9%	13.9%	71.0%	60.6%	93.3%
Sri Lanka (CSE-All Share)	12,363.0	8.0%	16.5%	16.0%	37.6%	71.5%	125.7%
Vietnam (VNI)	1,209.5	-5.8%	17.6%	7.0%	15.3%	-2.4%	23.5%
MSCI Frontier Markets Index	784.1	-2.6%	2.4%	4.8%	14.6%	-1.7%	10.3%

*All returns are Holding Period Return

Source: Investing.com, MSCI, DSE

Liquidity Condition in Equity Market of Bangladesh

During April, the total market capitalization declined by -7.5%. The daily average turnover was USD 47.3 mn in April, down by -12.4% from that of last month. Turnover velocity which represents overall liquidity of the market stood at 16.0% in April, compared to 17.8% of last month. In 2023, turnover velocity of Bangladesh equity market was 18.1%, in comparison to 30.7% in 2022.

Table 2: Market capitalization and turnover statistics

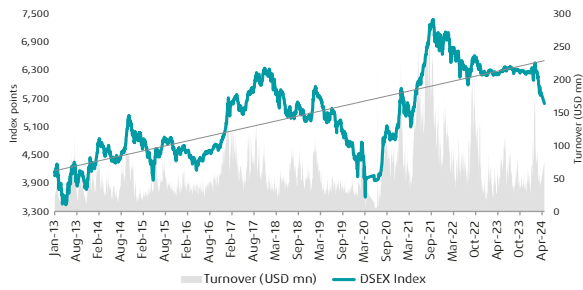
Particulars	30-Apr-24	31-Mar-24	%change
Total market capitalization (USD* mn)	63,956	69,157	-7.5%
Total equity market capitalization (USD mn)	36,581	38,673	-5.4%
Total free float market capitalization (USD mn)	13,400	15,066	-11.1%
Daily Avg. Turnover (USD mn)	47.3	53.9	-12.4%
Turnover Velocity~	16.0%	17.8%	N/A

*All USD figures are converted using an exchange rate of 110 as of April 30, 2024 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

Figure 1: DSEX since inception along with market turnover



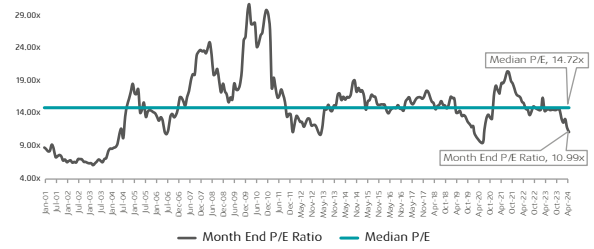
Source: DSE

Market Valuation Level - P/E Ratio

The market P/E decreased to 10.99x in April, 2024 compared to 11.67x in March, 2024. It is lower than the 23 years' median market P/E of 15.00x (Figure 2).

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

Sector Performance

All sectors posted negative return in April 2024. Food & Allied sector (-14.1%) faced the most price correction.

Cement sector has the highest dividend yield of 5.6% among all sectors.



Table 3: Sector performance snapshot

Sector	Market Capitalization (USD mn)		Return*						P/E** (x)	P/BV^ (x)	Dividend Yield~
	Total	Free Float	1M	3M	YTD	12M	3Y	5Y			
Pharmaceuticals & Chemicals	5,709	3,019	-2.4%	-12.5%	-13.5%	-10.5%	4.6%	4.5%	13.8	2.8	2.4%
Bank	5,960	3,276	-3.9%	-2.8%	-5.3%	-2.0%	21.2%	33.6%	6.6	0.7	4.9%
Telecommunication	4,255	457	-2.8%	-17.9%	-18.7%	-18.6%	-27.5%	1.4%	7.8	4.9	4.9%
Engineering	3,242	844	-5.6%	-14.3%	-32.2%	-30.1%	-30.2%	5.9%	15.4	1.7	3.5%
Fuel & Power	2,849	878	-6.2%	-13.2%	-26.2%	-24.4%	-17.0%	-9.9%	9.5	1.0	4.9%
Food & Allied	2,784	916	-7.4%	-23.7%	-23.8%	-24.4%	-14.6%	97.4%	13.5	6.9	2.4%
Miscellaneous	2,110	907	-2.7%	-6.1%	0.4%	6.0%	25.6%	6.1%	31.9	2.5	1.5%
NBFI	982	327	-14.1%	-23.0%	-42.7%	-42.1%	-37.5%	-34.6%	13.0	1.2	2.4%
Textile	1,230	698	-3.5%	-2.5%	-20.8%	-16.9%	31.0%	-13.4%	15.7	0.9	2.3%
Cement	1,034	408	-3.2%	-9.6%	-7.0%	-6.3%	8.3%	3.5%	11.7	3.0	5.6%
Non-Life Insurance	845	477	-6.5%	-14.8%	-11.0%	2.3%	-20.0%	11.2%	15.3	1.8	3.1%
Life Insurance	475	276	-10.1%	-19.9%	-31.3%	-29.8%	-11.8%	-22.0%	77.6	5.2	2.7%
Tannery	234	113	-4.8%	-8.8%	-17.2%	-16.9%	43.2%	-14.3%	31.2	2.3	1.1%
IT	331	204	-1.2%	-5.2%	-2.9%	-11.7%	70.2%	63.5%	23.0	2.9	1.7%
Ceramics	229	99	-8.8%	-2.7%	-24.1%	-23.0%	-0.8%	-16.8%	33.4	1.6	2.1%
Travel & Leisure	618	263	-2.7%	-8.5%	-5.6%	-45.6%	52.6%	11.1%	18.1	1.3	1.2%
Paper & Printing	282	103	-9.2%	-14.6%	-20.1%	-25.9%	79.1%	43.3%	21.0	2.2	1.1%
Services & Real Estate	202	102	-5.9%	-10.1%	-13.9%	-25.2%	38.6%	8.1%	16.9	1.3	4.0%
Jute	67	35	-0.7%	7.9%	2.6%	11.1%	68.1%	106.4%	N/A	21.8	0.0%
Market	36,581	13,400	-4.2%	-9.2%	-10.6%	-10.8%	1.9%	7.3%	10.7	1.5	3.5%

*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 2024, Micro cap (-9.8%), Large cap (-9.5%), Small cap (-9.2%) and Mid Cap (-8.2%) ended in negative territory.

Table 4: Performance of different market cap classes

Cap Class	Definition based on market capitalization (USD mn)	% of total equity Mcap	Return*						P/E (x)	P/BV (x)	Dividend Yield
			1M	3M	YTD	12M	3Y	5Y			
Large	≥92	76.5%	-4.2%	-13.4%	-16.6%	-15.4%	17.3%	48.6%	9.7	1.5	4.2%
Mid	28-91	11.2%	-4.5%	-8.5%	-22.6%	-25.9%	-48.6%	-31.3%	14.4	1.3	2.8%
Small	9-27	8.8%	-4.6%	-8.2%	-13.8%	-6.2%	39.7%	45.1%	22.7	1.0	2.5%
Micro	<9	3.6%	-7.2%	-10.7%	-13.0%	-0.1%	-87.0%	-83.4%	27.2	0.8	2.2%
Market		100.0%	-4.2%	-9.2%	-10.6%	-10.8%	1.9%	7.3%	10.7	1.5	3.5%

*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, DUTCHBANGL increased by 10.0% followed by BXPHERMA (+2.2%). On the other hand, PUBALIBANK generated a negative return of -0.7% followed by GP (-0.8%), RENATA (-0.9%), SQRPHARMA (-3.1%), BERGERPBL (-3.3%), BRACBANK (-3.7%), MARICO (-4.8%), LHBL (-4.8%), UNILEVERCL (-5.1%), WALTONHIL (-6.1%), BATBC (-8.9%), ROBI (-11.2%), BECONPHARMA (-11.8%), ICB (-13.2%), UPGDCL (-15.2%) and EBL (-18.4%). All the other stocks of this list remained unchanged.

Among the scripts, LHBL, BRACBANK, BATBC, SQRPHARMA, and ROBI 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			
GP	Telecommunication	2,895	289	0.20	-0.8%	-17.7%	-17.7%	-17.7%	-19.8%	5.9	11.0	5.3%
BATBC	Food & Allied	1,806	478	0.33	-8.9%	-29.1%	-29.1%	-29.1%	-17.0%	11.1	6.0	2.7%
SQURPHARMA	Pharmaceuticals & Chemicals	1,700	1,102	0.53	-3.1%	-3.3%	0.3%	5.6%	-43.1%	8.7	2.6	5.0%
WALTONHIL	Engineering	1,682	18	0.08	-6.1%	-18.9%	-41.7%	-40.1%	25.1%	18.2	2.3	4.9%
ROBI	Telecommunication	1,167	117	0.50	-11.2%	-18.3%	-18.3%	-18.3%	-36.2%	30.6	2.1	4.1%
BEXIMCO	Miscellaneous	921	616	0.02	0.0%	0.0%	0.0%	0.9%	65.3%	97.4	1.7	0.9%
RENATA	Pharmaceuticals & Chemicals	802	390	0.06	-0.9%	-36.9%	-36.9%	-36.6%	-20.6%	25.1	4.5	0.8%
BERGERPBL	Miscellaneous	729	36	0.03	-3.3%	-9.1%	-2.6%	-0.5%	-39.9%	26.3	11.0	2.3%
LHBL	Cement	686	246	0.36	-4.8%	-10.6%	-6.2%	0.3%	5.7%	12.7	4.8	7.7%
MARICO	Pharmaceuticals & Chemicals	667	67	0.04	-4.8%	-7.6%	-5.4%	-2.6%	50.5%	15.9	39.8	0.9%
UPGDCL	Fuel & Power	648	65	0.02	-15.2%	-30.1%	-47.4%	-45.6%	25.5%	7.8	2.7	6.5%
BRACBANK	Bank	566	304	0.18	-3.7%	2.7%	8.1%	10.0%	26.2%	8.2	1.6	2.6%
BXPHARMA	Pharmaceuticals & Chemicals	483	337	0.18	2.2%	-9.8%	-18.6%	-16.7%	23.5%	9.2	1.7	2.9%
ISLAMIBANK	Bank	477	306	0.05	0.0%	0.0%	0.0%	2.4%	-34.7%	26.3	0.9	3.1%
DUTCHBANGL	Bank	417	54	0.09	10.0%	9.1%	3.9%	8.3%	-29.9%	9.0	1.7	2.9%
ICB	NBFI	385	14	0.00	-13.2%	-26.6%	-42.9%	-42.7%	93.4%	(11.9)	4.4	0.5%
BEACONPHAR	Pharmaceuticals & Chemicals	380	229	0.67	-11.8%	-26.4%	-26.1%	-25.6%	21.7%	27.9	14.2	0.9%
UNILEVERCL	Food & Allied	333	48	0.08	-5.1%	-8.1%	-5.9%	-8.4%	45.7%	38.1	32.5	1.6%
EBL	Bank	322	223	0.44	-18.4%	-11.2%	-11.2%	-9.3%	19.2%	5.8	1.5	4.3%
PUBALIBANK	Bank	279	191	0.01	-0.7%	6.8%	13.7%	20.2%	15.5%	4.4	0.1	4.2%
Market		36,581	13,400	47.26	-4.2%	-9.2%	-10.6%	-10.8%	10.4%	10.7	1.5	3.5%

*All returns are Holding Period Return.

Top Performing Mutual Funds

The top ten open end mutual funds are selected based on the latest published fund size. SEML PBSL Fixed Income Fund and Sandhani AML SLIC Fixed Income Fund outperformed the market on the basis of YTD.

Table 6: Top ten open end funds based on Fund Size

Name	Asset Management Company	Fund Category	Fund Size (USD mn) [^]	NAV Return		
				YTD	2023	2021-23
Bangladesh Fund	ICBAMCL	General	160.9	-17.7%	3.9%	8.0%
ICB AMCL Unit Fund	ICBAMCL	General	80.3	-14.9%	3.7%	8.4%
Grameen Bank-Aims First Unit Fund	AIMS	General	14.3	-0.3%	7.1%	N/A
ICB AMCL Second NRB Unit Fund	ICBAMCL	General	12.6	-21.9%	3.9%	7.2%
SEML PBSL Fixed Income Fund	SEML	Fixed Income	9.3	0.4%	1.8%	N/A
VIPB SEBL 1st Unit Fund	VIPB	General	9.1	-7.5%	2.8%	N/A
Shanta First Income Unit Fund	Shanta	General	8.5	-15.9%	1.4%	9.1%
MTB Unit Fund	Alliance	General	8.2	N/A	2.2%	7.8%
Sandhani AML SLIC Fixed Income Fund	Sandhani	Fixed Income	7.9	0.5%	6.3%	N/A
First ICB Unit Fund	ICBAMCL	General	7.7	-22.6%	6.3%	10.1%
Market (Broad Index) Return (%)				-10.6%	0.6%	5.0%

*Based on published NAV and DSEX point of April 25, 2024

[^]Fund Size based on December 2023

All the top ten closed end mutual funds on the basis of 3 years (2021-2023) outperformed the market during the same horizon. Among them ICBEPMF1S1 (+13.3%) posted the highest return.

Table 7: Top ten close end funds based on 3Y return (CAGR) performance

DSE Code	Fund Size (BDT mn)	Fund Size (USD mn)	Price ¹ (BDT)	NAV ¹ (BDT)	Price/NAV	Dividend Yield ² (%)	NAV Return ³			Redemption Year ⁴
							YTD	2023	2021-23	
ICBEPMF1S1	594.8	5.4	5.5	7.9	69.4%	5.5%	-15.5%	4.5%	13.3%	2030
1STPRIMFMF	204.6	1.9	39.5	10.23	386.1%	2.5%	-24.8%	3.7%	13.0%	2029
PF1STMF	467.4	4.2	6.2	7.8	79.6%	4.8%	-18.3%	6.7%	12.6%	2030
ICBAMCL2ND	433.5	3.9	7.3	8.7	84.2%	4.1%	-14.9%	4.4%	12.1%	2029
ICB3RDNRB	760.0	6.9	5.1	7.6	67.1%	5.9%	-15.9%	4.2%	12.0%	2030
PRIME1ICBA	810.0	7.4	5.7	8.1	70.4%	5.3%	-16.1%	3.0%	11.0%	2030
ICBSONALI1	860.0	7.8	9.9	8.6	115.1%	2.5%	-15.0%	5.2%	9.6%	2033
IFILISLMF1	744.0	6.8	5.3	7.4	71.2%	5.7%	-20.5%	4.7%	9.4%	2030
CAPMBDBLMF	464.2	4.2	7.5	9.3	81.0%	8.0%	-15.7%	-4.1%	9.2%	2027
ICBAGRANI1	861.8	7.8	8.7	8.8	99.1%	5.7%	-16.1%	4.7%	9.2%	2027
Market							-10.6%	0.6%	5.0%	

¹Price as on April 25, 2024 and index value as on April 30, 2024.

²On last cash dividend declared.

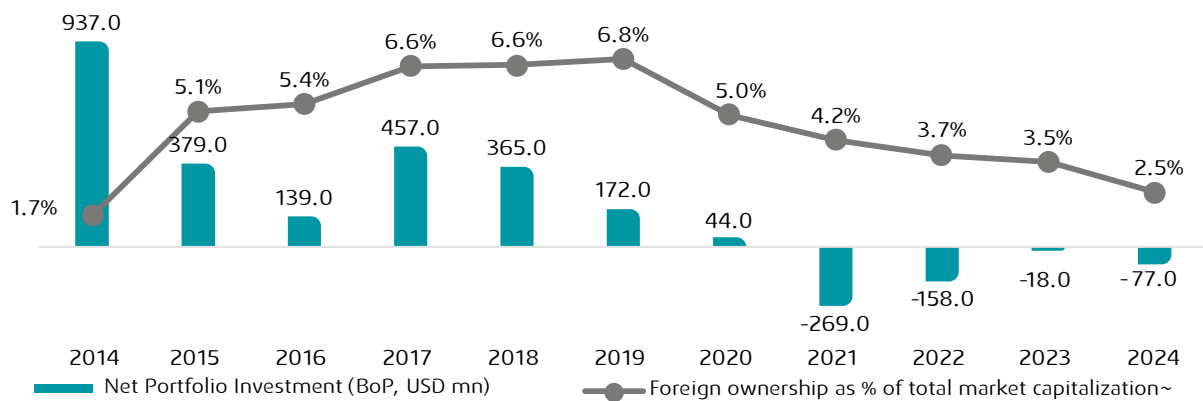
³CAGR computed for 2021-2023, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

⁴In reference to BSEC Press Release বিএসইসি/মুখপত্র (৩য় খণ্ড)/২০১১/২৫ published on Sep 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

In the month of March 2024, Bangladesh equity market has seen decline in foreign investment. As of March 2024, total foreign ownership stood at 2.5% of the total equity market capitalization, which was only 1.7% in February 2014.

Figure 3: Net foreign portfolio investment and foreign ownership as % of total equity market capitalization



Source: DSE and Bangladesh Bank

Note:

1. % of foreign ownership of equity market capitalization as of March 2024 and net portfolio investment as of June of the respective years.
2. Net portfolio investment of FY'24 includes Jul-Feb, 2024.

Among all the companies with foreign ownership, BRACBANK had the highest foreign shareholding of 31.0% as of March 2024, followed by BXPHERMA with 28.1%.

Table 8: Top ten companies with highest foreign shareholding as of March 2024

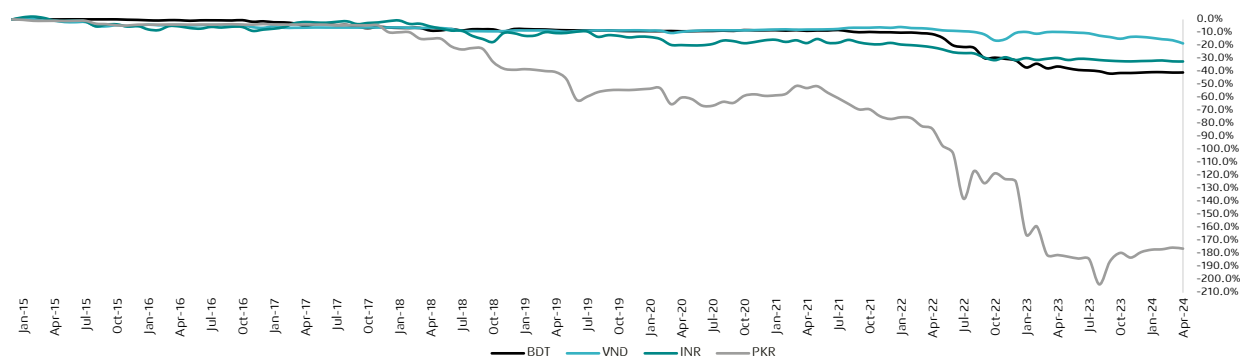
Ticker	Sector	Foreign Shareholding*
BRACBANK	Bank	31.0%
BXPHERMA	Pharmaceuticals & Chemicals	28.1%
NAVANAPHAR	Pharmaceuticals & Chemicals	27.7%
OLYMPIC	Food & Allied	24.2%
RENATA	Pharmaceuticals & Chemicals	22.4%
BSRMLTD	Engineering	17.3%
SQURPHARMA	Pharmaceuticals & Chemicals	14.0%
ISLAMIBANK	Bank	13.0%
DBH	NBFI	11.4%
SHEPHERD	Textile	9.5%

Source: DSE

Performance of BDT and Currencies of Peer Countries against USD

BDT depreciated by 40.8% against US Dollar while other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) also lost value against US Dollar by 18.4%, 32.3% and 176.1% respectively, since December 2014.

Figure 4: Nine year's relative performance of BDT and peer currencies



Source: Investing.com

Major Commodity Price Movement

Among the major commodities, Aluminum increased by 12.6% in April, followed by Crude Oil (+5.3%). On the other hand, Wheat declined by -0.9% and Cotton witnessed the most correction of -9.0%. Over last 5 years, Wheat price hiked the most by 36.5%.

Table 8: Major Commodity Price Movement

Particulars	Price Change					
	1M	3M	YTD	12M	3Y	5Y
Crude oil (Average)	5.3%	13.3%	16.2%	6.7%	39.8%	28.3%
Wheat (US HRW)	-0.9%	-4.1%	-6.5%	-28.0%	-3.1%	36.5%
Cotton (A Index)	-9.0%	-1.9%	-0.2%	-5.1%	-0.5%	3.5%
Aluminum	12.6%	14.3%	14.8%	7.0%	8.0%	35.8%

Source: World Bank Pink Sheet

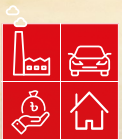
*Average of Crude oil (Brent), Crude oil (Dubai), Crude oil (WTI)





কাঙ্ক্ষিত লক্ষ্যে পৌঁছাতে দরকার হয় একটু নির্ভরতার!

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