

Volume 18 | Issue 3 | March 2021

IDLC MONTHLY

# BUSINESS

# REVIEW

**RESILIENT TURN AROUND  
OF SMES FROM THE  
ADVERSE IMPACT  
OF COVID-19**



## আইডিএলসি ফিন্ড ডিপোজিট

### আস্থা থাক বিশ্বস্ত হাতে

আইডিএলসি'র কাছে আপনার প্রতিটি টাকা বিশ্বাসের আমানত। তাই, গত ৩৪ বছর ধরে স্বচ্ছতা, সর্বোচ্চ সুশাসন ও ফাইন্যান্সিয়াল সেক্টরের অভিজ্ঞতাকে দক্ষতার সাথে কাজে লাগিয়ে ব্যবসা পরিচালনা করছি আমরা। যেনো আপনার টাকা নিশ্চিতভাবে বাড়তে থাকে নিরাপদে।

- দেশজুড়ে ২০টি জেলা শহরে ৪০টি শাখা
- আপনার সেবায় ১৪০০ জন নিয়োজিত কর্মী
- শ্রেণিকৃত ঋণের পরিমাণ মাত্র ২.৯৪%
- সর্বোচ্চ সুশাসনের জন্য একাধিক আন্তর্জাতিক স্বীকৃতি ও পুরস্কার প্রাপ্তি
- ৩ মাস থেকে শুরু করে বিভিন্ন সুবিধাজনক মেয়াদে ডিপোজিট করার সুবিধা
- AAA ক্রেডিট রেটিং প্রাপ্ত

 16409  [idlc.com](http://idlc.com)

# contents



03

Economy at a Glance

04

Month In Brief

05

For the Record

06

World Economic Indicator

07

Banking Data Corner

08-10

Women's Day Special

- IDLC PURNOTA: GOING BEYOND FINANCING

11

Women in Focus

12-26

Cover Story

- RESILIENT TURN AROUND OF SMES FROM THE ADVERSE IMPACT OF COVID-19

COVID-19 caused significant losses, especially for SMEs. Starting from fisheries and livestock, commercial vehicle and accessories, steel and cement, furniture and fixtures, non-allopathic pharmaceutical, food grains and food processing, agro processing local textile and light engineering industry have encountered immedicable losses due to the pandemic. The impact of COVID 19 on SMEs have created a large gap in the economy of Bangladesh. However, with the help of Government support, the situation is recovering hastily.

27-28

New Idea

- BARIKOI TECHNOLOGIES LTD.

29 -30

IDLC News

- IDLC and Prothom Alo Trust Continues Scholarship for 10 More Students of Asian University for Women
- IDLC Appoints Two New DMDs

31-34

Exclusive Feature

- AN INNER LOOK AT E-COMMERCE GIANT: DARAZ BANGLADESH

35 -40

Capital Market Review

FROM THE

# EDITOR



## Recovery of the SME Sector: An Essential for Ensuring Economy's Overall Survival

Like in most other nations, the outbreak of the COVID-19 pandemic was unprecedented and shook the Bangladeshi economy. One of Bangladesh's most prominent industries, the fisheries and livestock industry, employing about 70% of the individuals in the rural areas was struck hard. The dairy farmers also lost around BDT 189 million daily during the lockdown. The disruption of activities in the transportation industry, broke down the supply chain of the construction industry as shipments were delayed. Traders could not operate for two months, causing the price of construction materials fell significantly. Similarly, the fixtures and furniture industry, which employs the second highest number of workers in the country after the RMG industry, lost 70% of its business due to the pandemic, causing 0.60 million worker to be laid off. The non-allopathic or alternative medicine industry on the other hand is one of the few industries to make profit from the pandemic as people turned to Ayurvedic products, Naturopathy and Yoga to boost their immunity. At the same time the demand for Homeopathy

medicine saw a sharp rise as people visited Homeopathic practitioners to treat any symptom related to COVID-19.

On the other hand, disruption of activities in the food and food processing industry, resulted in decreased sales for super shops and local vendors, while online sales saw a huge surge. At the same time the price of important staples rose by 15-20%. The local textiles industry faced losses due to an increase in price of raw materials. The light engineering sector, like most other sector also suffered a huge loss as 90% of the workshops were forced to shut down. The situation improved for most business once the lockdown was lifted, with many business recording higher profits than the previous years. The government's stimulus package worth BDT 5000 crore also fastened the recovery process.

### Sushmita Saha

Assistant Manager  
IDLC Finance Limited

## INDUSTRY & EQUITY ANALYSIS TEAM

### ASIF SAAD BIN SHAMS

Email: shams@idlc.com

### ADNAN RASHID

Email: adnan@idlc.com

### SUSHMITA SAHA

Email: sushmita@idlc.com

### BONNISHIKHA CHOWDHURY

Email: shikha@idlc.com

### MUBASHSHIRA SUBAH

Email: msubah@idlc.com

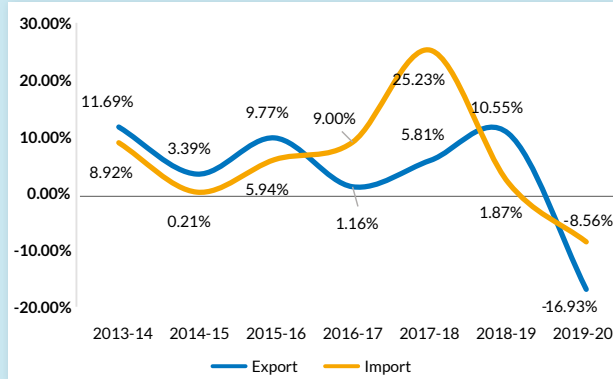


# ECONOMY AT A GLANCE

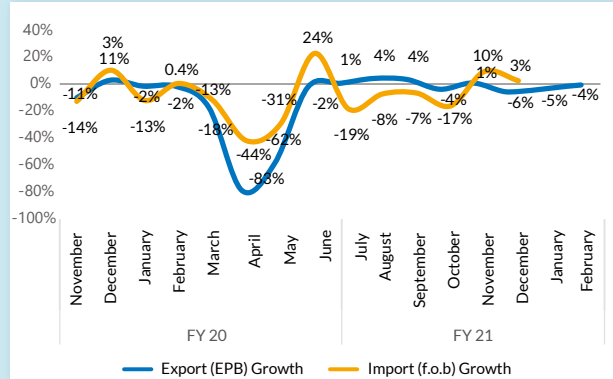
Prepared by IDLCSL Research Team

## EXPORT-IMPORT

Growth in Export Import Trade (Last 7 Years)

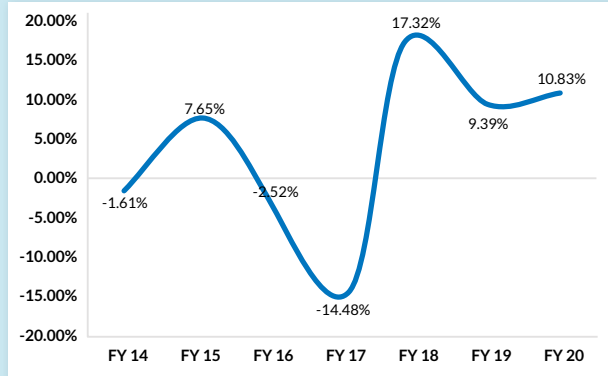


Export & Import Growth

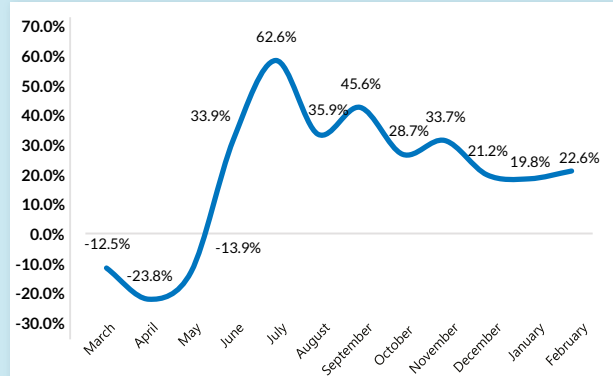


## REMITTANCE

Remittance Growth of Last 7 years

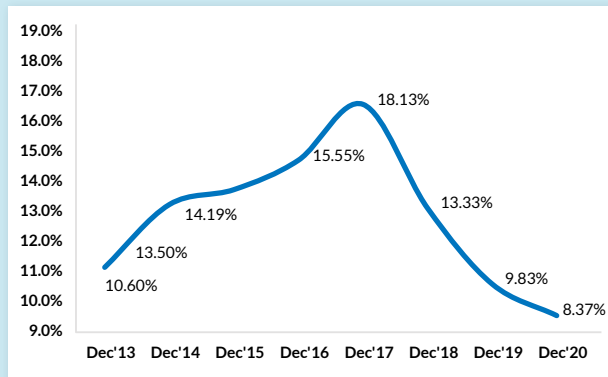


Remittance Growth (Previous 12 Months)

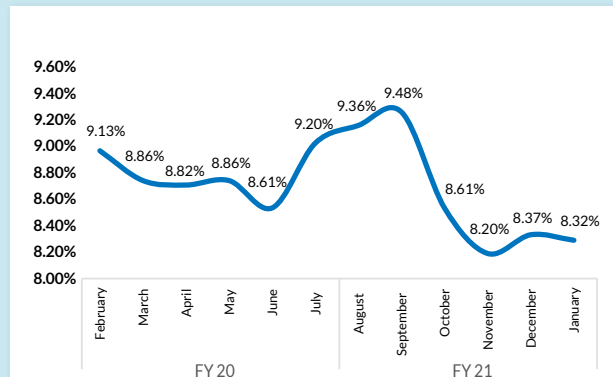


## PRIVATE SECTOR CREDIT GROWTH

Private credit growth of last 8 years



Private sector credit growth (Previous 12 months)



## ■ MONTH IN BRIEF

---

● **The Bangladesh Bank issued a circular giving schedule banks one year** to lower investments to their offshore banking units within 30 % of the banks' regulatory capital.

● **Cottage, micro and small entrepreneurs would get credit guarantee** from the Bangladesh Bank's BDT 2,000-crore credit guarantee scheme against all types of loans taken by them, paving the way for borrowers to receive collateral-free term loans.

● **Earnings from merchandise exports fell 4.99% year-on-year** to USD 3.43 billion in January because of slower recovery of garment shipment from the pandemic-induced business slowdown.

● Bangladesh Securities and Exchange Commission (BSEC) is working **to widen the gap of corporate taxes between listed and non-listed companies in order to attract well-performing companies to the market.**

● **The implementation of a BDT 5,000-crore special refinance scheme** for the country's agricultural sector has reached 67% in eight and a half months of its launch.

● **The Baraka Patenga Power Limited (BPPL) will utilize part of its initial public offering (IPO) proceeds** of BDT 1.44 billion (144.34 crore) to invest in two of its power generating subsidiaries on becoming one of the largest players in the country's private sector power generation.

● Bangladesh's banking sector faced **a provision shortfall of BDT 123.49 crore last year, primarily for a lackluster performance of 11 banks.**

● **Bangladesh became an exception among top remittance recipient countries amid the Covid-19 pandemic** as expats sent USD 19.8 billion to the country in 2020, an 8% increase on the previous year's.

● **Revenue collection rose 4.55% year-on-year to BDT 132,165 crore in the July-January period** of the current fiscal year, in line with the pace gained in economic and business activities, says the National Board of Revenue (NBR) data.

● Nine banks and five non-bank financial institutions (NBFIs) have signed deals with the central bank **for loan disbursements to export-oriented industries from the technology up gradation fund.**



*THE MAGNIFICENT GROWTH OF REMITTANCE HAS GIVEN A BOOST TO THE CONFIDENCE OF THE GOVERNMENT IN MANAGING THE MACRO-ECONOMY IN TIMES OF CRISIS.*

**Mustafa K Mujeri**, Executive Director, Institute for Inclusive Finance and Development on Remittance Growth.

**The export increased due to a leading steel maker exporting around 45,000 tonnes of billet during the pandemic which showed a big jump in steel export.**

**Manwar Hossain**, President, Bangladesh Steel Mills Owners Association on Increase in Steel Export.

**The regulator wants to spread brokerage services across the country. Therefore, digital BO (Beneficiary Owners') account opening will also enable the participation of investors in rural areas.**

**Dr Shaikh Shamsuddin Ahmed**, Commissioner, Bangladesh Securities and Exchange Commission (BSEC) on BO (Beneficiary Owners') Account Opening.

**The banks will have to enhance profits for reducing their provisioning shortfalls.**

**Syed Mahbubur Rahman**, Former Chairman, Association of Bankers, Bangladesh (ABB) on Provisioning Shortfall against Loans

**PRIVATE SECTOR IS UNLIKELY TO SEE GROWTH IN THE NEXT SIX MONTHS OR A YEAR. SO, PUBLIC SPENDING IS NEEDED IN INFRASTRUCTURE AND INCOME-GENERATING ACTIVITIES IN RURAL AREAS.**

**Professor Mustafizur Rahman**, Distinguished Fellow, Centre for Policy Dialogue (CPD) on Private Sector Growth.

**THE SOLUTION ONLY LIES WITH THE DEVELOPMENT OF BOND MARKET. THE FOREIGN INVESTORS HAVING TRILLION DOLLAR INVESTMENTS IN CONVENTIONAL AND SUKUK BONDS ARE EXPLORING NEW AREAS OF INVESTMENTS.**

**Prof. Shibli Rubayat Ul Islam**, Chairman, Bangladesh Securities and Exchange Commission (BSEC) on Funds from Government to Restructure Investment Corporation of Bangladesh (ICB).

Country	Nominal GDP: October, 2020 (USD in billion)	Real GDP Growth: October 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	81.1	-4.55	3.30	Feb, 2021	-3.63	8.37	195.75	
Vietnam	340.6	1.60	0.70	Feb, 2021	1.61	2.33	23,020.00	
Kenya	101.0	1.05	5.78	Feb, 2021	-4.90	12.80	109.65	
Nigeria	443.0	-4.28	16.47	Jan, 2021		-3.65	381.25	
Bangladesh	330.1	5.24	5.02	Jan, 2021	-0.02	6.01	84.80	
Emerging Markets								
Brazil	1,363.8	-5.80	4.56	Jan, 2021	0.27	8.61	5.62	
Saudi Arabia	680.9		5.70	Jan, 2021	-2.51	n/a	3.75	
India	2,935.6		4.06	Jan, 2021	0.33	6.23	72.76	
Indonesia	1,088.8		1.38	Feb, 2021	-1.30	6.64	14,265.00	
Malaysia	336.3		-6.00	-0.20	Jan, 2021	0.94	3.12	4.06
Philippines	367.4		-8.26	4.20	Jan, 2021	1.61	4.00	48.55
Turkey	649.4		-4.99	15.61	Feb, 2021	-3.66	13.52	7.48
Thailand	509.2		-7.15	-0.34	Jan, 2021	4.17	1.71	30.34
China	14,860.8	1.85	-0.30	Jan, 2021	1.30	3.28	6.47	
Russia	1,464.1	-4.12	5.20	Jan, 2021	1.17	6.61	73.90	
Developed Markets								
France	2,551.5	-9.76	0.40	Feb, 2021	-1.92	-0.06	0.83	
Germany	3,780.6	-5.98	1.30	Feb, 2021	5.75		0.83	
Italy	1,848.2	-10.65		Feb, 2021	3.23	0.73	0.83	
Spain	1,247.5	-12.83	0.00	Feb, 2021	0.54	0.37	0.83	
Hong Kong	341.3	-7.47	1.90	Jan, 2021	4.35	1.34	7.76	
Singapore	337.5	-6.00	0.20	Jan, 2021	14.98	1.48	1.33	
United States	20,807.3	-4.27	1.40	Jan, 2021	-2.12	1.46	1.00	
Denmark	339.6	-4.50	0.60	Jan, 2021	6.37	n/a	6.18	
Netherlands	886.3	-5.40	1.80	Feb, 2021	7.56	-0.26	0.83	
Australia	1,334.7	-4.16	0.90	Dec,2020	1.85	1.76	1.28	
Switzerland	707.9	-5.30	-0.50	Feb, 2021	8.48	-0.28	0.92	
Britain	2,638.3	-9.76	0.70	Jan, 2021	-2.05	0.78	0.72	

**Bangladesh data:** GDP size and real GDP are sourced from Bangladesh Bureau of Statistics as per 2019-20 data. Calculation Method of CA Balance (% of GDP): CA balance of FY19-20 / GDP of FY19-20.

Interest rate (%) 10 years TB as per February, 2021, Inflation as per January, 2021 and Currency Unit (per USD) as per 4th March, 2021 are sourced from Bangladesh Bank

**Nominal GDP:** Data of all countries apart from Bangladesh is sourced from IMF estimates of 2020 data (October, 2020 Outlook)

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

**Inflation:** Data of all countries apart from Bangladesh is sourced from tradingeconomics.com as per 4th March, 2021

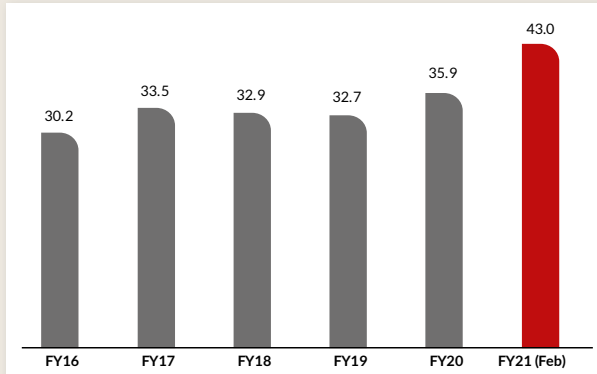
**Interest rates 10 years TB and Currency Unit:** Data of all countries apart from Bangladesh is sourced from Investing.com as per 4th March 2021



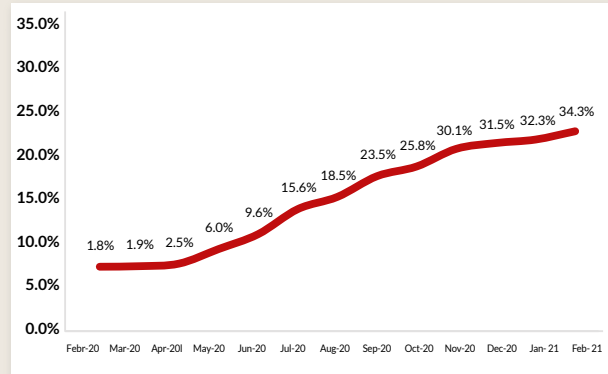
# BANKING DATA CORNER

Prepared by IDLCSL Research Team

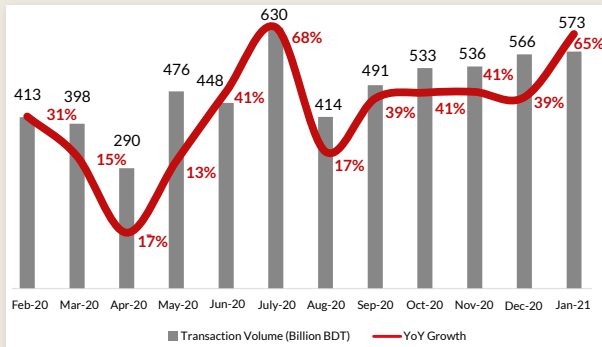
## Foreign Exchange Reserve (In Billion USD)



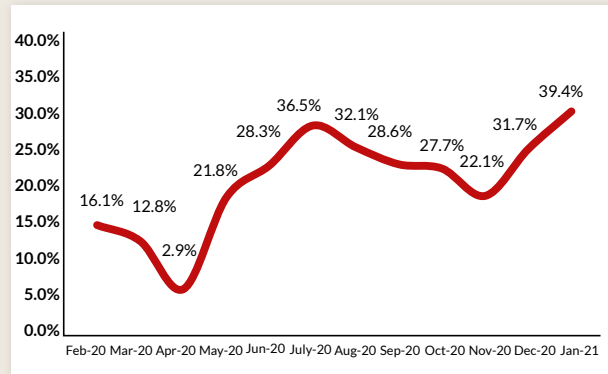
## Foreign Exchange Reserve YoY Growth 2020



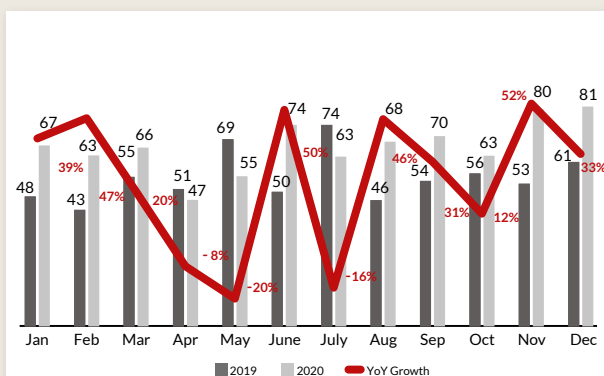
## MFS Total Transaction Volume 2020-2021 (BDT Billion and YoY Growth)



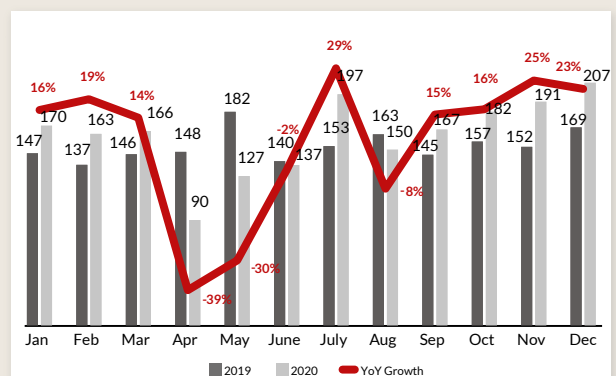
## MFS No. of Total Transaction YoY Growth 2020-2021



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



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



Source: Bangladesh Bank

## IDLC PURNOTA GOING BEYOND FINANCING

Purnota Manager, SME Division



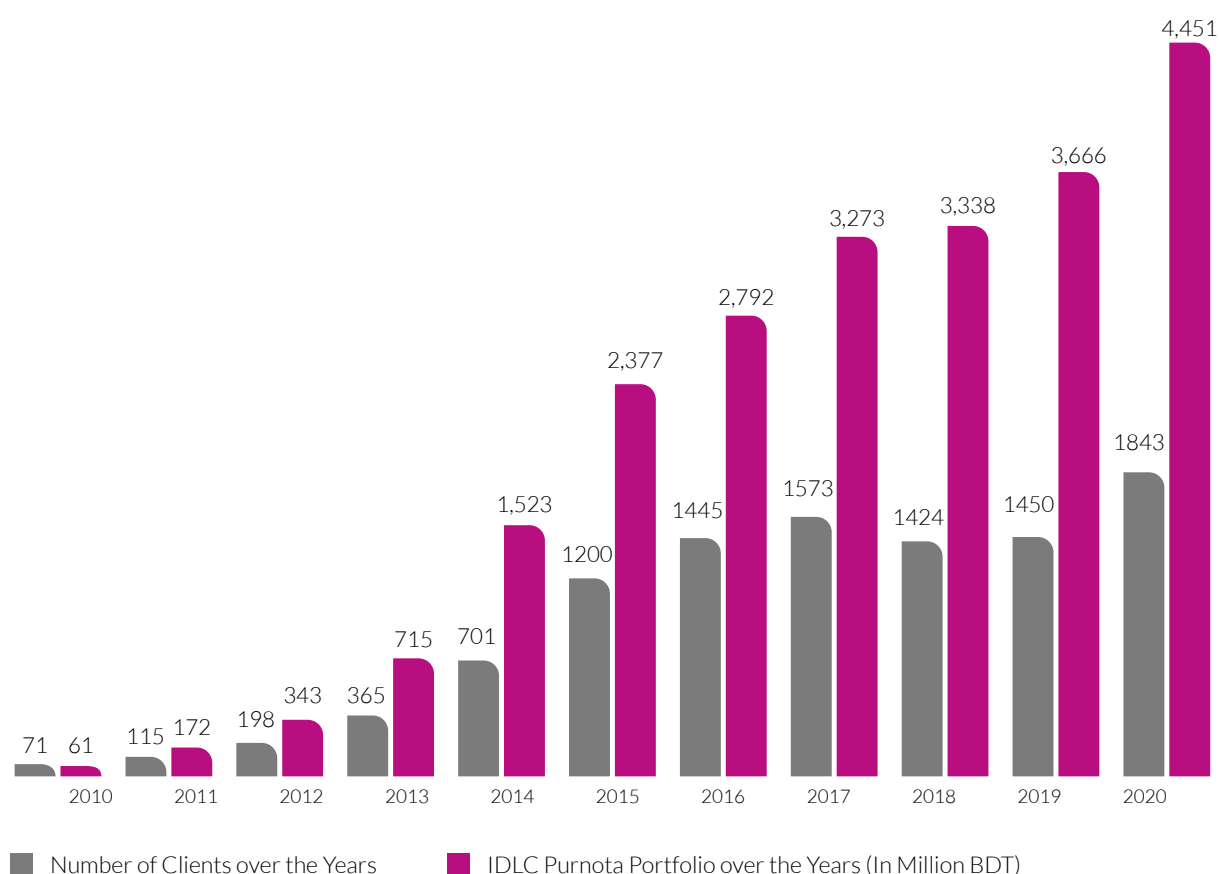
The key component of any business growth is in having access to timely financing. However, women entrepreneurs often face challenges in regard to access to appropriate sources of financing for the growth of their businesses. When designing IDLC Purnota, we took into account the main hurdles

women entrepreneurs face so as to take measures addressing this gap. Historically, where banks are often found to be discouraged to lend to women due to lack of data to assess the credit risks, IDLC Purnota chose a very different journey we proudly share.

### IDLC Purnota at a Glance

Since its formal launch in 2015, IDLC Purnota has been one of the highest distributors of Bangladesh Bank's Refinance Scheme and other

low-cost financing for women entrepreneurs in Bangladesh, and has served 5,312 clients until Dec 2020.





## Awards Won for Serving Women Entrepreneurs



IDLC Finance Ltd won the '**SME NBFI of the Year**' and '**SME Most Women Friendly NBFI of the Year**' in 2014 by the central bank of Bangladesh and SME Foundation.



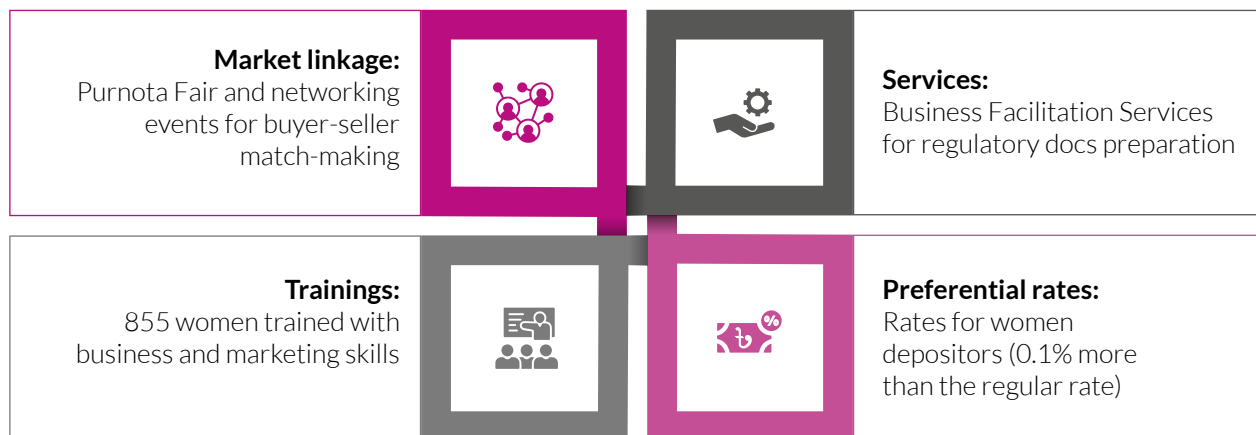
IDLC won the '**Women-owned SME Bank of the Year**' award by Global SME Finance Forum in 2019, an initiative of IFC.

## Why Invest Efforts in Women Entrepreneurship?

By closing gender disparities in economic opportunities, USD 4.5 Trillion can be added to Asia and Pacific's GDP by Year 2025.\*

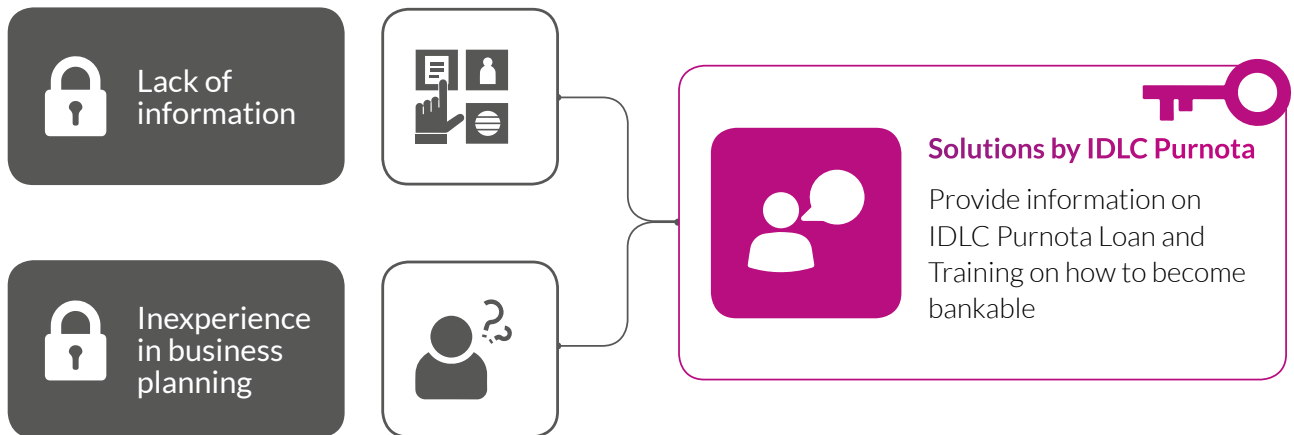


## IDLC Purnota Offers

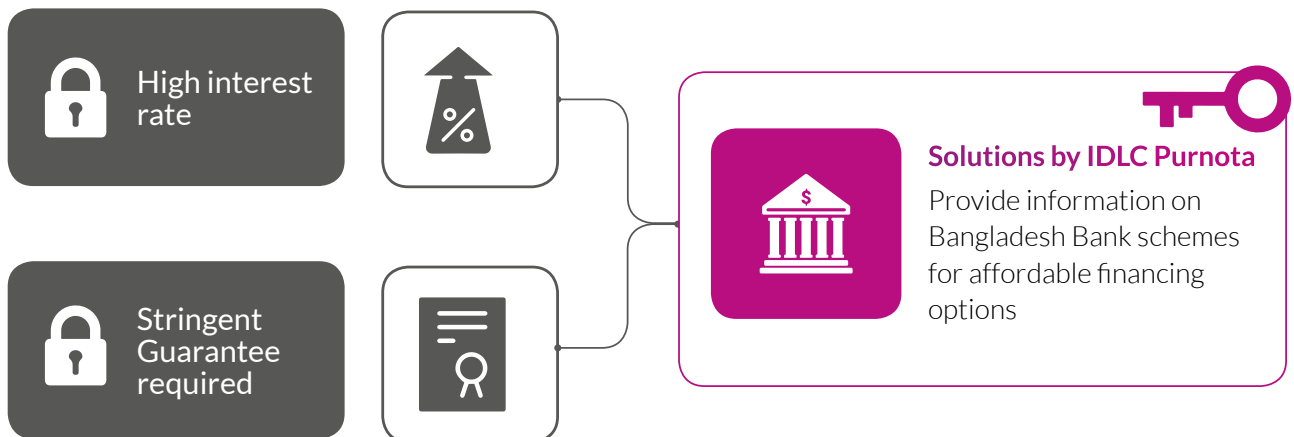


\* Source: EMERGING LESSONS ON WOMEN'S ENTREPRENEURSHIP IN ASIA AND THE PACIFIC: Case Studies from the Asian Development Bank and the Asia Foundation (October 2018).

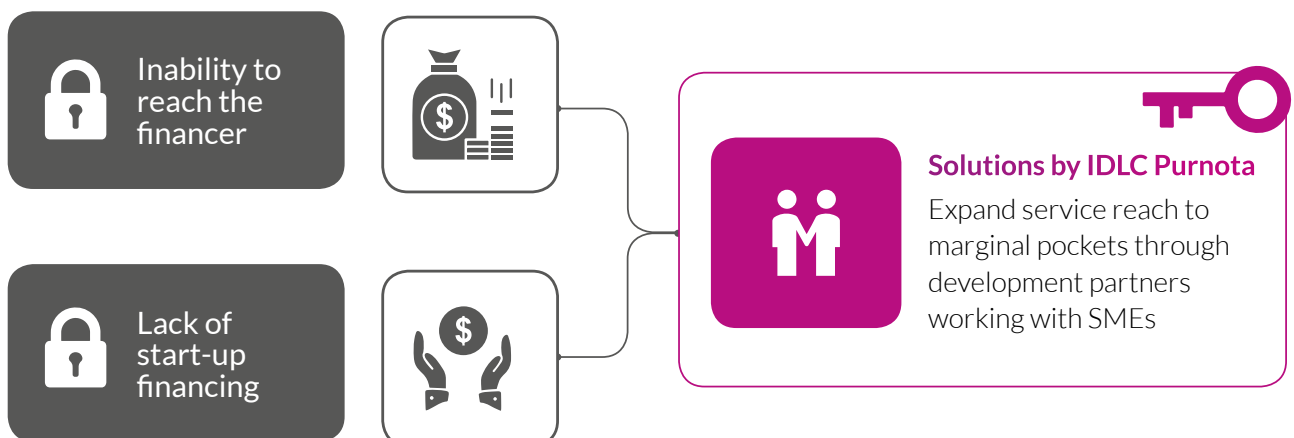
### Challenges of Women Entrepreneurs



### Challenges of Women Entrepreneurs



### Challenges of Women Entrepreneurs







“ I always dreamt of making this business big, and IDLC Purnota has been a trusted friend in our journey

**Suma Saha**  
Heera Bij Bhandar, Rangpur

Suma Saha co-owns Heera Bij Bhandar in Taraganj, Rangpur with her husband-who is an agriculturist. Her shop is a popular option in Taraganj bazar amongst the local famers. When it comes to agro products such as seeds, fertilizers, pesticide; Suma and her husband provides quality seeds and other agro-products to the local farmers alongside pro-bono basic agro-advice.

Ten years ago, while setting up Heera Bij Bhandar, as a young graduate of accounting, Suma started by helping her husband with maintaining the business accounts. Soon, with time, Suma gradually got more involved in the business as her husband got busier with his full-time job. Ten years later, Suma now runs all the business operations for Heera Bij Bhandar- largest seeds and agro-products wholesaler and retailer in Taraganj Bazaar and manages dealership for 20 leading manufacturers.



“ When I started the business, my dream was to send my daughters to good schools. I feel humbled knowing that more mothering are now able to afford schooling for their children through my business

**Tajnin Sultana Sumi**  
Famous Fashion House, Gaibandha

In 2011, Tajnin Sultana Sumi- started her business- Famous Fashion House in Gaibandha with just BDT 8000 and big dreams of bringing up her daughters well. In 10 years' time, Famous Fashion House now employs over 600 women and Hijras from neighbouring Char area- engaged in making of the hand-embroidered dresses that are sold across the country and also making their mark abroad. Financial independence has created pathway for Tajnin Sultana Sumi to many forums and platforms, where she actively advocates on the hurdles women entrepreneurs often face.

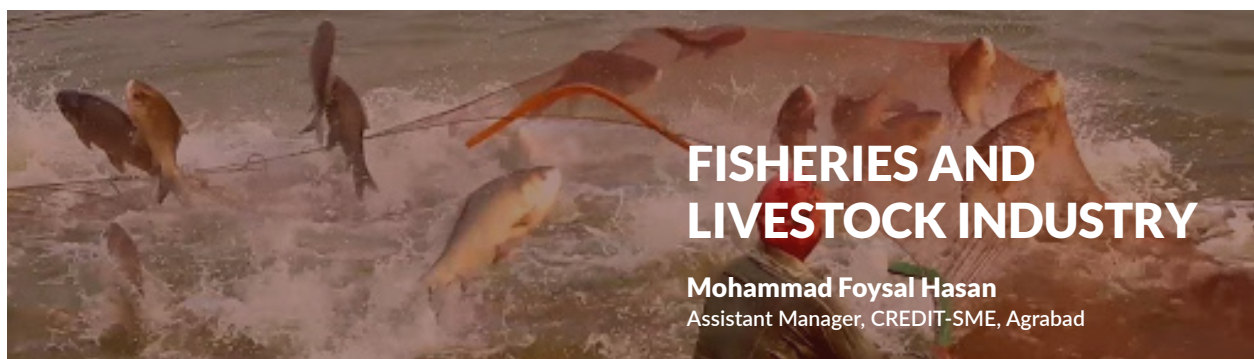




# RESILIENT TURN AROUND OF SMES FROM THE ADVERSE **IMPACT OF COVID-19**







## FISHERIES AND LIVESTOCK INDUSTRY

**Mohammad Foysal Hasan**  
Assistant Manager, CREDIT-SME, Agrabad

The fisheries and livestock industry plays a vivid role in the economy of Bangladesh. The country is ranked amongst the top inland fish producing nations in the world. Currently, 143 fish farms are directly operating through government ownership and 1,038 firms are operating under private ownership

and the livestock's contribution to GDP stands at 1.43% in FY 2019-20. Conspicuously, the share of the animal farming sub-sector in GDP is trivial, yet this sector provides employment opportunity to more than 70% of the rural and small households.

Production of livestock (as of February 2020, in lakh)

FY	Cow	Buffalo	Goat	Sheep	Total livestock
2012-13	233.41	14.5	252.76	31.43	532.1
2013-14	234.88	14.57	254.39	32.06	535.9
2014-15	236.36	14.64	256.02	32.7	539.72
2015-16	237.35	14.71	257.66	33.35	543.07
2016-17	239.35	14.78	259.31	34.01	547.45
2017-18	240.86	14.85	261	34.68	551.39
2018-19	241.87	14.9	262.11	35.14	554.02
2019-20*	243.39	14.97	263.79	35.83	557.98

**Source:** Department of Livestock, Ministry of Fisheries and Livestock.

### Cluster Definition

The production sources of fisheries can be classified into three sources.

1. Inland capture of fisheries
2. Inland culture of fisheries
3. Marine fisheries

Production of inland capture of fisheries (in lakh)

Particulars	River capture	Sundarban	Beel	Kaptai Lake	Flood plain	Total inland capture
Area (Lakh hector)	8.54	1.78	1.14	0.69	26.9	39.08
2013	1.47	0.16	0.89	0.09	6.86	9.61
2014	1.67	0.19	0.89	0.08	7.13	10
2015	1.75	0.18	0.93	0.08	7.3	10.24
2016	1.78	0.17	0.95	0.1	7.48	10.5
2017	2.72	0.18	0.98	0.1	7.66	11.64
2018	3.21	0.18	0.99	0.1	7.69	12.17
2019	3.25	0.18	2	0.11	7.82	12.63
2020*	3.38	0.18	1	0.1	7.84	12.5

**Source:** Department of Fisheries, Ministry of Fisheries and Livestock (\*projected)

## Production of inland culture fisheries (in lakh)

	Pond	Baors	Seasonal	Shrimp	Pen culture	Cage culture	Crab	Total inland culture
Area (Lakh hector)	3.77	0.055	1.33	2.756	0.69	0.833	-	8.745
2013	14.47	0.06	2.01	2.06	-	-	-	18.6
2014	15.26	0.07	1.93	2.17	0.13	0.01	-	19.57
2015	16.13	0.07	2.01	2.24	0.13	0.02	-	20.6
2016	17.2	2.08	0.08	2.4	0.13	0.02	0.13	22.04
2017	18.33	0.08	2.16	2.47	0.13	0.02	0.14	23.33
2018	19	0.08	2.16	2.54	0.11	0.04	0.12	24.05
2019	19.75	0.1	2.17	2.58	0.12	0.04	0.12	24.88
2020*	20.29	0.12	2.18	2.7	0.12	0.04	0.12	25.57

Source: Department of Fisheries, Ministry of Fisheries and Livestock (\*projected)

## Production of marine fisheries (in lakh)

	2013	2014	2015	2016	2017	2018	2019	2020*
Industrial	0.73	0.77	0.85	1.05	1.08	1.2	1.07	1.24
Artisanal	5.16	5.18	5.15	5.21	5.29	5.35	5.53	5.54
Total Marine	5.89	5.95	6	6.26	6.37	6.55	6.6	6.78

Source: Department of Fisheries, Ministry of Fisheries and Livestock (\*projected)

## Impact of COVID-19

COVID-19 had a significant impact on fisheries' products. The price of the fish dropped significantly in the first few weeks of April when the government had declared a nationwide lockdown. At the lowest point of crisis, the price of a kilogram of pangasius, one of the highest consumed fish, in Mymensingh's retail markets had plummeted from BDT 120/kg to BDT 50/kg. Many fish farmers in Kishoreganj, Mymensingh and Netrokona were unable to sell fish due to the unavailability of transportation. Moreover, in the northwest region of the country, hatcheries reduced their production by at least 30-40%. The dairy farmers also faced severe transportation issues for delivering the daily produced milk. Dairy farmers approximately incurred a loss of BDT 189 million every day during the pandemic crisis.

## Path to Recover and Future Prospects

Even after all the setbacks, the Prime Minister of Bangladesh declared in July 2020 that the fish production had increased by 50% in 11 years. People now consume 62.58 grams of fish against the daily demand of 60 grams per capita. Moreover, in 2020, Bangladesh registered a total output of 4.4 million tons of fish. Similarly, the production of livestock products has increased and the per capita availability of milk and meat rose to 165.07 ml/day

and 124.99 gm/day respectively in FY2019-20. The following segment highlights some of the initiatives taken from the part of the government to recover the loss occurred due to the crisis.

- Providing financial assistance stimulus package of BDT 5,000 crore for livestock, fisheries and agro-based rural enterprises at 4% interest rate.
- The government has set aside BDT 3,190 crore for the livestock and fisheries sector in the proposed budget for the fiscal year 2020-21, which is 26% higher than the budget for the previous fiscal year.

The prospects of the fisheries industry are very delightful. In September 2020, Bangladesh achieved the second spot among the highest freshwater fish producing countries in the world. If Bangladesh can capitalize on its whole marine boundary, then the marine production of the fisheries will see a sharp increase. The international market is another untapped opportunity for Bangladesh. This could open a massive market for fisheries' products. Bangladesh also has a bright future in livestock industries as several steps like- providing one stop services, vaccination facilities and other initiatives have been taken which ensures a good future prospects for the fisheries and livestock industries.





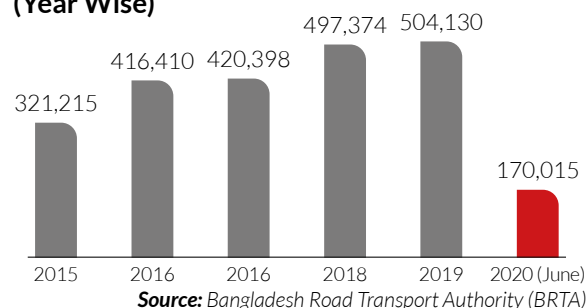
The commercial vehicle market refers to vehicles used to transport goods and passengers. It includes trucks, buses and coaches etc. The country being a flat plain, all three modes of surface transport, i.e. road, railway and water are widely used in carrying both passengers and cargo. It is estimated that mechanized road transport carries about 70% of the country's total passenger and cargo volume.

As the economy was growing very fast [growth rate forecasted (FY 2020) by World Bank was 7.2%] before the countrywide lockdown (due to COVID-19), the increase in economic activities created a huge demand for different types of motorized vehicles and accessories. Later, during the post lockdown era, the government has forecasted GDP growth of 5.2% FY 2020 and this resulted in the reformation of economic activities. The economic activities lead the demand of cars, motorbikes, commercial vehicles and vehicle accessories in Dhaka, Chittagong, Jashore, Satkhira, Kushtia, Bogra and Sylhet.

### Impact of COVID-19

The automobile sector had incurred losses worth BDT 6,000 crore in the three months of COVID-19 countrywide lockdown as per the statement of Bangladesh Automobiles Assemblers and Manufacturers Association (BAAMA). During the lockdown period, importing, trading and manufacturing of vehicle accessories were closed; transportation services were almost closed (excluding basic need goods transportation) that led to around 90% decrease in sales of vehicle accessories. Even personnel who were directly involved in this sector including owners of trucks and servicing industries (workshop and light engineering), employees (drivers and helpers) had fallen in a crucial situation.

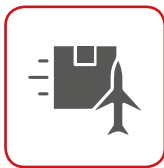
### Number of Registered Motor Vehicles in BRTA (Year Wise)



### Market Insights

- The sales of commercial vehicles are increasing fast in Bangladesh with at around 35 %
- Around 35,000 commercial vehicles such as buses, trucks, auto-rickshaws, cargo vans, human haulers, pickups and tankers were sold on an average every year since 2017, way higher than the 2,000 rate 10 years ago, according to data from Bangladesh Road Transport Authority.
- At present, the market size of commercial vehicles is about BDT 4,200 crore whereas it was about BDT 2,000 crore a decade ago.
- Runner Automobiles is taking preparations to invest BDT 433 crore to set up an automobile assembling and manufacturing plant inside Bangabandhu Sheikh Mujib Shilpa Nagar from Bangladesh Economic Zones Authority (BEZA) to grab a share of the rapidly growing commercial vehicle market.
- The plant is expecting to create employment for around 350 people having different skills, this includes automobile engineers and technicians.
- Rangs Motors Limited, Ifad Autos Limited and Nitol-Niloy Group are assembling commercial vehicles of Indian Mahindra and Mahindra, Ashok Leyland, and Tata respectively.

## Path to Recover and Future Prospects



### **Duty free spare parts import facility:**

If the government allows duty free import of automobile components and spares, it would be possible to run the existing buses, trucks and three-wheelers

for one year with the help of low-cost repairs which would reduce the import cost of vehicles during the pandemic. On the other hand, as our export earnings got hit hard during the pandemic, it will be difficult for us to spend dollars to import vehicles at this moment and only the duty-free import of spares can be the appropriate alternative for the sector to save foreign currency. Eventually, the duty free import facilities will empower this sector to produce automobile components in the country within a year.



### **Registration of three-wheelers:**

A policy regarding the registration of three-wheelers and allowing them to ply on the roads may have instrumental contribution in the economy, especially in post

lockdown era as huge number of people are now living in the countryside. The livelihoods of at least 20 lakh people depend on three-wheelers. Before

implementing this type of policy, Bangladesh Road Transport Authority must implement a standard fitness checking procedure for public transport to reduce the accidents.

Along with several other countries, vaccination against Covid-19 has been successfully rolled out in Bangladesh. Notable megaprojects including the Padma Multipurpose Bridge, the Payra Deep Sea Port, and the Karnaphuli River Tunnel are going to be successfully completed. This will increase demand for local road transport as regional trade will increase; the cargo will also need to be brought to Dhaka and other cities throughout the country. The Karnaphuli River Tunnel will connect southeastern Bangladesh to the Asian Highway Network. These will mainly impact the demand for heavy vehicles, such as trucks.

The most crucial demand driver for the commercial vehicle market is the economic growth of businesses. Especially the manufacturing sector, which directly impacts business confidence and thus the usage of transport by businesses. In Bangladesh, cargo commercial vehicles are mainly used for the transportation of RMG products, construction materials and commodities





# STEEL AND CEMENT INDUSTRY

**Md. Shefath-Ul-Islam**  
Manager, CREDIT-SME, Keraniganj

The demand for steel, cement and other construction material in Bangladesh is mainly driven by infrastructure projects in commercial, housing and public sector. The public sector can be further broken down to implementation of the government's annual development plans and infrastructure projects. After the effect of COVID-19 pandemic, future of this sector looks bright for the large manufacturers mainly due to higher demand from several ongoing government development projects such as construction of Padma Bridge, implementation of metro rail, nuclear power plant construction in Rupnagar etc. However, the growth potential for small and medium size enterprises got delayed as the private construction projects slowed down after pandemic.

There are around 400 steel mills in Bangladesh with a total production capacity of around 8 million MT. Currently major steel producers are AKS, BSRM, KSRM, GPH, Anwar, Rani, SSRM etc. However, comparatively smaller re-rolling mills are located in Narayanganj. There are 37 active cement factories in Bangladesh and more than BDT 30,000 crore has been invested in the industry. Major players are Crown Cement, Shah Cement, Premier Cement, Confidence Cement, Bashundhara Group etc. In Bangladesh, the annual consumption of paint currently stands at about 180,000 tonnes with the presence of over 45 operational entities: Berger Paint and Asian Paint among the key players. Large players of these construction materials mainly fulfill the demand of private development projects by providing exclusive dealership to the traders nationwide. Trader of steel, cement, paint and other construction materials are available in all the districts and unions of Bangladesh. However, their presence is higher in the large cities due to greater demand.

## Impact of COVID-19

During the pandemic lockdown, public transport, markets and almost all other economic activities were completely shut down in an effort to curb the spread of Covid-19. As a result, the entire supply chain was disrupted as shipments were delayed, raw

material imports were halted and all logistics were frozen. Consequently, the construction projects of private sector were completely stopped. Traders of construction materials could not operate their business for two months during the core lockdown period. As a result, prices of the construction materials went down significantly and the traders faced tremendous loss.

## Path to Recover and Future Prospects

Due to pandemic, industry insiders had a fear that they will face 30% lower profits from the July-December period of 2020. However, the reality is different as profits came mainly due to higher demand from government development projects. Meanwhile, all listed steel mills booked higher profits while multinational Berger Paints also witnessed higher profits in the period. Large corporations minimized their loss mainly by lowering their operational cost. Consequently, traders of construction materials are projected to recover from the loss as they cater the demand 55% of individuals, real estate companies and developers. Sales volume significantly increased during the last quarter as the demand for construction material increased as all development activities resumed. Rural demand is also bouncing back as all rural economic activities are going on in full swing. The government's incentive package of stimulus loans and single digit interest rate also had a positive impact on the sector.

Immediately after pandemic, price of the key component of construction materials such as steel and cement went down. However, price of steel has already increased and price of cement is projected to rise shortly as construction works are back to normal. Despite Covid-19, prospects for overall growth in the trading sector is bright for the country in terms of increasing demand due to urbanization and real estate development especially in Purbachal, Bashundhara and Uttara. However, uncertainty in price fluctuations due to imports of raw materials, fuel, logistics, and foreign exchange rate fluctuations are definitive challenges for the industry.





## FURNITURE AND FIXTURES INDUSTRY

**Nafiz Imtiaz Khan**

Manager, CREDIT-SME, Gazipur

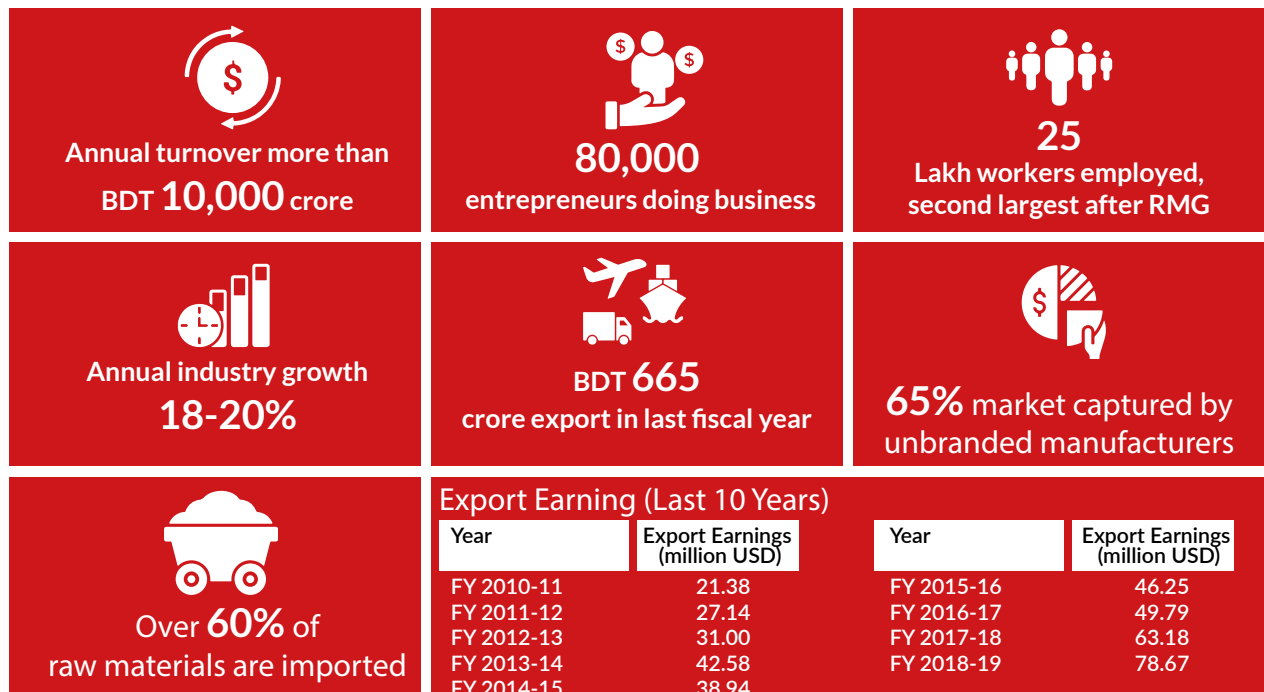
The furniture sector is one of most promising sector in Bangladesh which deploys second largest workers after the RMG sector. It has been experiencing around 20% growth per year and its contribution in GDP is around 0.40%. The growth of this sector is being stimulated by the local and international demand for furniture. Local growth of furniture is being influenced by the overall economic prospect and increasing per capita income of people of this country while international growth derived from cost advantage.

Furniture industry has employed over 25 lakh workers and more than 80 thousand entrepreneurs are involved with this business. Though 93% percent of the goods are consumed locally, the export value of this sector was BDT 665 crore in last fiscal year.

The sector has experienced around 18-20% annual

growth over the past decade. The annual turnover size of the market is BDT 10,000 crore. Even though the industry has over 80000 entrepreneurs, the market is still dominated by unbranded furniture that account for 65% of total market share.

As per the study of Palli Karma-Sahayak Foundation (PKSF 2013) around 99.88% of firms involved in the furniture business are micro and small. These enterprises are scattered all over Bangladesh while big players are mostly located in major cities like Dhaka, Chittagong, Sylhet, Narayanganj, Manikganj, Bogra, Barishal which are densely populated and the demand for furniture is high. There are some areas in Dhaka where furniture factory cluster can be identified such as Mirpur, Sutrapur, Badda, Shajahanpur, Panthapath, Shyampur, Chankharpul, Gandaria, Madanpur. There are few big companies located at Savar and Gazipur.



Source: The Business Standard



## Impact of COVID-19

COVID-19 has hit hard the furniture makers of our country, specially the unbranded ones which comprise 65% of the total firms involved in this sector. Overall sales of furniture and home decorative sector has declined by 70% which ultimately resulted in job cuts. Since furniture items are not basic needs, people tend to save money for their lives and livelihood during this difficult time and are reluctant to buy lavish items.

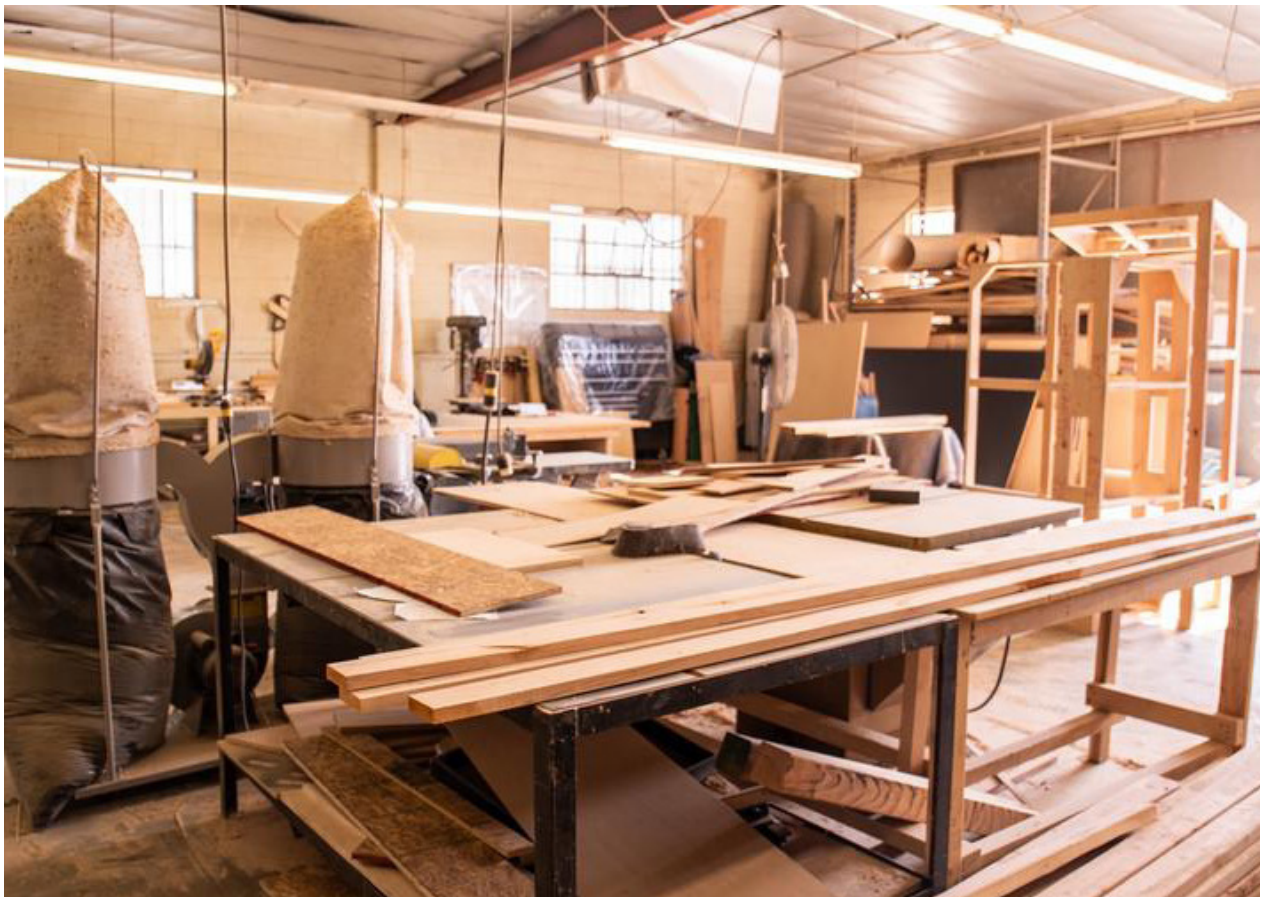
As per the recent research titled “Post- Covid-19 Jobs and Skills in Bangladesh” performed by a2i, around 0.60 million workers have been laid off in this sector and it predicts this number will be 1.0 million if this situation prolongs.

Mr. Selim H Rahman, chairman of Bangladesh Furniture Industries Owners Association (BFIOA) articulated that there are two types of firms in the sector, organized and unorganized. As majority of them are unorganized, small and scattered across the country, they are the ones who borne the most loss and many employed in this sector lost their jobs.

Big players of this sectors are suffocating too. One out of three to four companies are unable to export goods due to travel restrictions imposed to impede the spread of virus.

## Path to Recover and Future Prospects




- Imposing limitation on furniture import during post pandemic period to project the interest of local manufacturer.
- Government should encourage automation of production for local manufacturer by reducing VAT on modern equipment or solution like CAM (Computer-Aided Manufacturing) and CNC (Computer Numerical Control).
- All kind of artificial wood and wood alternative are procured from abroad. Government should provide incentives or subsidy to local manufacturers so they can produce wood alternatives locally.
- Since design plays an important role in furniture industry, training on specific items like polishing, engraving and wood carving should be arranged.





Non-allopathic or alternative medicine is commonly practiced and appreciated for a variety of purposes across the globe. For millions around the world, herbal remedies, traditional treatments and traditional practitioners are the primary source of healthcare as they tend to be more affordable than allopathic health services and are also known to deal with the relentless growth in chronic non-communicable diseases. In Bangladesh, a flourishing market exists for alternative medical health care. Numerous medical systems are commonly used to fulfill healthcare needs. These include Ayurvedic, Yoga, Unani, Homoeopathy, Naturopathy, Acupuncture, Kabiraji, Hakimi and other folk practices.

As a nation with many rural societies, a significant portion of the population still seeks primary healthcare from traditional practitioners and native medicinal plants. In certain cases, influences such as the economy, society, faith, schooling and environment influence people's attitudes toward various diseases. According to study, some people do use traditional medicine for particular illnesses, whether they are educated or not, wealthy or poor. Folk curing practices such as attending shrines or traveling to 'shamans' (persons who serve as an intermediary between the real and spiritual realms, using spells to treat illness) can still be identified. Location of some of the more famous alternative medical product producers are as follows:

 Ayurvedic		 Unani		 Homeopathy	
Company Name	Location	Company Name	Location	Company Name	Location
Hamdard	Sonargaon	Drug International Ltd	Green Road	Allen MXN Homoeo Laboratory	Demra
Modern Herbal	Eskaton Garden	Deeplaid Laboratories Ltd	Kaptan Bazar	Amoeba Homoeo Laboratory	Daulatpur
Sakti Oushudhalaya	Pathatuli ,	JBL Drug Laboratories	Gazipur	Annex Pharmaceuticals ,	Gazipur
Shadhona Aushadhalaya Ltd	Gendaria	Aksim Laboratories	Beltola	Bangladesh Homoeo Laboratory	Pabna
Ayurvedic Pharmacy Ltd	Nayanagor	GK Pharma	Dhaka	Bengal Homoeo Laboratory	Kushtia
S.B Laboratories	Purana Paltan			Bengal Homoeopathic Laboratory	Pabna
Chemist Herbal Care	Shampur-Kadamtali			Care Homoeo Laboratory	Kallyanpur
Aksim Laboratories	Beltola			G H P Homoeo Lab.	Feni

**Source:** Directorate General of Drug Administration (DGDA)

### Impact of COVID-19

As panic of the pandemic rose among the general mass, people were not sure what to make of the

unprecedented situation. Given the relatively, new traits of the virus and the varying symptoms of the infected individual, medical personalities all over the world were not sure on how to treat the virus.



As such it was claimed that prevention was the best way to protect oneself from the virus. Boosting one's immunity was seen as one of the major ways to prevent oneself from getting infected. As a result, the demand for non-allopathic remedies expected to boost one's immunity went up. These included mainly ayurvedic herbs such as Ashwagandha, Tulsi, Amla, Neem, Turmeric, and Ginger. At the same time, as individuals decided to undertake a healthier lifestyle demand for Naturopathy and Yoga also saw a sharp rise.

### **Path to Recover and Future Prospects**

During the initial outbreak, as most infected were not sure how to treat themselves, a majority of the infected individuals decided to try homeopathy as a path for a cure. Homeopathy is based on the idea that substances that produce symptoms of sickness in healthy people will have a curative effect when given in dilute quantities. The homeopathic

practitioners, however, had to warn the patients about the fact that homeopathy would have been effective in treating the symptoms during the early stages and that the patients had to be hospitalized if the symptoms got more serious. To summarize, the demand for alternative medical care saw an overall rise during the covid-19 pandemic.

According to some reports, Bangladesh's regulatory frameworks for regulating the sales and practice of non-allopathic suppliers have been unsuccessful. Despite the strong demand for their services, they have no interaction with the government in order to obtain the funding they need or to be kept accountable. In Bangladesh, a significant majority of the population depends on the non-allopathic providers. Recognizing their function and incorporating them into the system would be more practical. Involving these informal providers could help the government meet its goal of universal health care by the year 2030.





The food grains and food processing industry is the central part of the agro-processing industry in Bangladesh which accounts for almost 1.7% of the country's GDP. Albeit this sector has failed to achieve a higher growth rate compared to other industries, this sector still constitutes 8% of the country's total manufacturing output as per The Financial Express.

Food grains are grains which are grown for human consumption such as rice, wheat, rye etc. Food processing is the manufacturing of food products and beverages. According to the International Food Information Council Foundation, food processing is the transformation of raw ingredients, by physical or chemical means into food or transforming food into other forms. Food processing produces marketable food products, by combining raw ingredients, which the consumers can easily prepare and serve. The food grains and food processing sector includes all naturally produced food grains and all types of processed food.

### **Impact of COVID-19**

The COVID-19 has had its implications on the food grains and food processing sector as well. The countrywide lockdown has disrupted the supply of food to both markets and consumers, both within and across borders. During the initial weeks of the lockdown, persistent transportation interruptions were negatively impacting the normal market operations. Customers could not get to the markets or feared entering. As a result, vendor businesses in public markets and super shop businesses in Bangladesh went down by almost 80-90% while online shopping experienced a huge surge in sales. The average price of important staples saw an

increase of around 15-20% during the lockdown compared to the pre-lockdown prices. The price of rice alone saw a rise of more than 22% amidst the lockdown according to Food and Agriculture Organization. On the other hand, dairy products had to be sold by the farmers at prices lower than their production costs. The instability of the prices, along with lots of people losing their jobs, severely impacted the sustainability of SMEs in this sector during the pandemic.

### **Path to Recover and Future Prospects**

Ensuring food security has been of utmost importance and priority for the government and relevant organizations. At the beginning of the COVID-19 pandemic, the government announced a stimulus package which included BDT 5,000 crore worth of soft loans at 4% interest with a 6-month grace period to multiple agricultural sectors. However, the crops and grains sectors were out of jurisdiction of this stimulus package. The government also eased Letter of Credit (LC) margins for raw materials, food grains and other essential products. Directives have been issued at different ports of entry so that food and allied products are given customs clearance on a priority basis. On top of that, no official restrictions were put in place for transportation of food products even during the lockdown phase.

In the coming days, food grains and food processing sector in Bangladesh is expected to rise because of population and income growth. However, Bangladesh needs to focus on food safety laws and standards to increase the value of food grains and food processing products.





## (i) Rice Industry

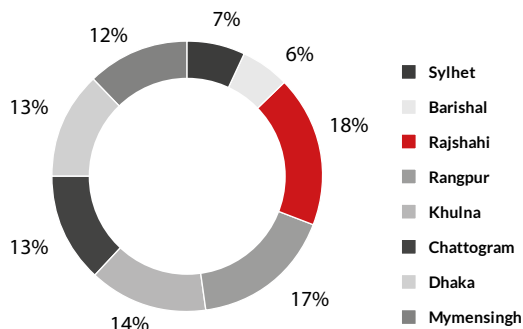
Rice is the main crop and staple food in Bangladesh. Almost 70-80% of our cultivable land is used for rice production. Study shows that daily per capita rice consumption of our country was 367 grams in 2016 (The International Food Policy Research Institute).

Bangladesh is divided into eight divisions, among them the northwest part of our country: Rajshahi and Rangpur division contribute almost 35% of our total rice production. Due to less industrialization, the abundance of cultivable land, favorable weather etc. result in better rice production in these areas.

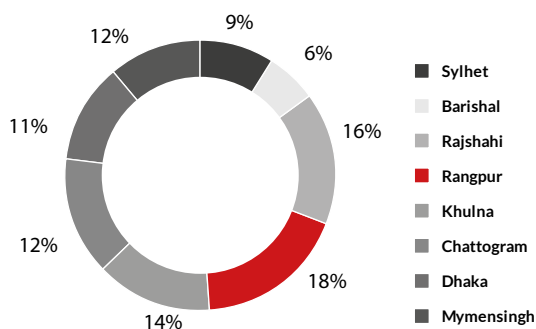
### Production of Rice

Production in 2014-15

(in million MT)



Production in 2018-2019



Source: Bangladesh Bureau of Statistics

Rice mills play a vital role in the rice industry. There are two types of rice mills available in our country: modern or automated rice mill and traditional or husking rice mills. Automated rice mills operate all activities through a mechanical process whereas husking or traditional mills operate all activities manually. As consumption and production of rice increased significantly during the last two decades. At the same time, the commercial rice mills also increased. Now, many husking mill owners have replaced their mills with automated mills to increase their productivity. Automated rice mill's output is much higher than the husking mills. Automated mills can produce 4 to 12 tons of rice per hour whereas husking mills can produce only 1 to 2 tons per hour.

### Impact of COVID-19

Impact of COVID19 on this industry is very minimum as the Government has no restrictions to shut down. Moreover, during lock down period, rice mills encountered an excess demand of rice. Most of the people during that time, piled up the grocery including rice due to the uncertainty of future availability of daily food. The impact was positive as the sales revenue became around double during that period. Big millers took that as an opportunity. Though higher price of paddy made it difficult to maintain inventory management and cash flow but efficient millers managed it very well. As per the insiders, around 7% to 10% rice production was damaged due to flood amounted around 1.10 MMT to 1.60 MMT last year. Lower production tends to higher price of paddy and rice as seen after flood in 2017. In 2017, to stabilize the market, Government of Bangladesh reduced the import duty of rice but import was 4 times higher than the actual damage. Authority has done the same to control the price of rice with better management. The major challenge

for the millers/traders was to recover the receivable as the banking channel was also limited during that period. Furthermore, most of the retailers in Dhaka took this opportunity not to pay the dues on time.

The main challenge of import is to manage the import management properly. Excess import would adversely affect the farmers, small and medium sized millers though very few big millers (large access to finance) would be benefited. It's been observed that the authority was very vigilant this time and they issue particular certificate with specific amount to import rice.

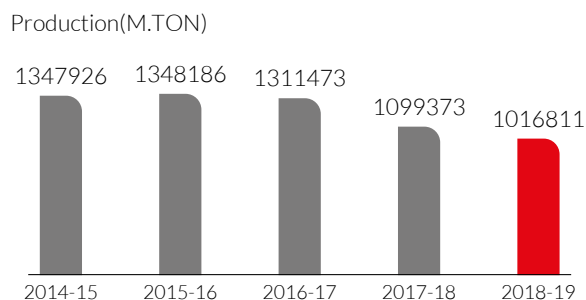
### Path to Recover and Future Prospects

This industry has a good prospect in Bangladesh. If we look into the status of our neighboring country, India is exporting around 10% of its total production and earns a good export earnings. Whereas, our export earnings significantly depend on RMG which should be diversified by focusing on agro based industries and rice industry would be one of the best options.

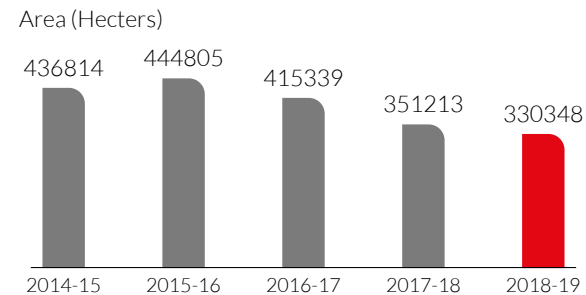
### (ii) Flour Industry

Wheat is the prominent food grain in Bangladesh after rice. The demand for wheat increases at a rate of 15% per annum in our country due to rapid urbanization, changing food habits and rising income. Currently, the country is producing only 1.1 million tons against the demand of 7 million tons of wheat. In this situation, there is no alternative to increase wheat production in our country. However, due to climate change, scarcity of land, and the onslaught of various diseases; wheat production in our country is declining at a significant rate every year. So, we have to depend on imports to meet the demand for wheat. Bangladesh is currently the fifth largest importer of wheat globally, and the import cost of this sector is USD 1.5 billion.

### Wheat Production for 2014-15 to 2018-19



### Wheat Production Area for 2014-15 to 2018-19



Source: Year Book of Agriculture 2014-15 to 2018-19

Wheat is mainly a winter crop planted from November to December and harvested from March to April. It has a good yield at relatively low temperatures. However, as a result of climate change, our country's temperature is continuously rising, which is having a negative impact on wheat production. In 2016, some districts in the southern part of the country were affected by the fungal blast disease of wheat, which resulted in severe damage to wheat production.

Among the eight divisions of our country, the northeastern part of our country (Rajshahi and Rangpur Division) contributes almost 65-70% of our total wheat production. Lack of industrialization, the abundance of cultivable land, favorable weather result in better wheat production in these areas.

### Impact of COVID-19

Impact of COVID19 in this industry was significant during the lock down as the supply chain was hugely affected by COVID19. More than 85% of domestic demand is met by importing wheat from abroad. Due to the lock down, import was halted and the price of wheat was higher compared to the industry average. Moreover, demand side was also affected by pandemic as we know; all restaurant, hotels, bakeries and other relevant parties were forced to shut down their business operation which made the situation more difficult to sustain. Furthermore, higher price of raw material & susceptible demand made the industry participants vulnerable.

### Path to Recover and Future Prospects

The Government's decision of deferring loan payment and stimulus packages helps to stand in the ground. Presently, there is no problem in supply chain and demand side and participants of the industry are doing well though profitability shrunk due to higher competition and increasing price of wheat.



Textiles refer to materials that are made from yarns, such as fibers, thin threads or filaments which are natural or manufactured or a combination. Textiles are created by interlocking these yarns in specific patterns resulting in a length of cloth. Textile can be made through six processes which are Knitting, Felting, Weaving, Non-woven methods, Braiding, Knotting and interlacing. In Narsingdi and Narayanganj district, majority of local textile factories are producing weaving fabrics. The sector which produces grey fabrics is known as weaving sector. This sector mostly produces grey fabrics for wear like three piece fabrics, saree, shawl and some bedding items like bed sheet, curtain, cover etc. Weavers here mostly use Chinese and “Bangla” Power Looms to produce saree and three piece fabrics. For designing on these fabrics, they have to install another special type of machine which is called Dhobi or Jacquard-both are different depending on their usability. Also, to produce bed sheet, curtain and twill, fabrics- millers use different rapier machine.

### Major Hubs for the Weaving Sector

Narsingdi District	Chowala, Madhabdi, Hasnabad
Narayanganj District	Gopaldi, Tarabo, Araihaazar

Babur Haat of Narsingdi district is the major and oldest wholesale market of woven textiles in the country which has been running for around hundreds of years. There are about 3,500 different traders in the market. The market mainly trades for three days from Thursday to Saturday of each week. Woven clothing made in Narsingdi, Narayanganj districts and adjacent areas are sold from here. The products include one colored fabrics, printed fabrics, orna, saree, three piece, lungi, bed sheet, curtain, cover, etc. According to the Financial Express, this market is catering to around 70% of the country’s requirement for necessary cloth items and trades over BDT 10

billion weekly. Baburhat market is mainly famous for local cloth items. On the other hand, Madhabdi of Narsingdi district is the wholesale market of yarn and grey fabrics. Yarn traders collect yarn from different spinning mills of Narayanganj and Gazipur which are then sold to different textile millers. Grey fabrics traders collect grey fabrics from different millers of Chowala, Shalidha, Hasnabad, Gopaldi, Araihaazar etc. which are then sold to different traders of Baburhat market. At first, the traders collect grey fabrics. Then, they outsource dyeing facility from nearby third party dyeing factories. After that they modify the items based on market demands. Other final products are also trade from Madhabdi, Narsingdi market.

### Impact of COVID-19

During the lockdown period, almost all the textile mills and related trading concern discontinued their regular business activities. On the other hand, during that time, fabric traders who had products in their stock netted a good profit. Once the mills were reopened, the mill owners earned higher profit from their productions than the regular times. Import of yarn was slowed down due to COVID-19. Thus, yarn price jumped up to BDT 10 to BDT 25 per pound which resulted in BDT 3 to BDT 4 increase in grey fabrics price per yard. Price of different power loom machines also increased by 15-25% comparing to before pandemic price. As a result the price of final product also went up.

### Path to Recover and Future Prospects

Millers and related business traders are expecting a good season in the upcoming Eid, as they could not collect most of their receivables on last Eid due to pandemic. After coming the vaccination, the situation has normalized a bit. People are now going out more and business traders are expecting more trades of local textiles which will hopefully bring a good profit this year.





## LIGHT ENGINEERING INDUSTRY

**Mehedi Hasan**  
Manager, CREDIT-SME, Bogra

Light Engineering (LE) is a very important sector for the development of a country. This sector provides the substitute of imported items. It supports various industries including agro based industries, construction and other manufacturing industries. Recently the Government has decided to establish 10 dedicated light engineering industrial parks in the country (Dhaka, Narayanganj, Jashore, Bogra, Narsingdi, Munshiganj, Mymensingh and Madaripur), which also tells us that how important this sector is and its prospect.

LE basically deals with manufacturing a wide range of spare parts, castings, moulds and dices, oil and gas pipeline fittings and light machinery, as well as repairing those. Around 600,000 workers are earning their living by this industry. About 60,000 MSMEs operate in this sector are still many things that need to be developed in this sector which

can help us move towards becoming a developed nation.

### Impact of COVID-19

COVID-19 had a severe impact on this sector as around 90% of the workshops were forced to shut down due to lock down, as well as due to shortage of labor. Most of the LE are micro enterprises with very little capital as it was very difficult for them to sustain that time. Though some enterprises which are involved in manufacturing agricultural spares and machineries remained open though they also faced shortage of labor due to limited transportation.

### Path to Recover and Future Prospects

After withdrawal of lock down, this sector has revised very soon mainly in North Bengal as most of the industries are agro-based with constant demand side.





# BARIKOI TECHNOLOGIES LTD.



## Al-Amin Sarker Tayef

Co-Founder and CEO

Interviewed By  
Bonnishikha Chowdhury, MBR Team

### MBR: How did the idea of Barikoi come into being? What motivated you to start Barikoi?

**Al-Amin Sarker Tayef :** Barikoi came into existence from my own personal experience. Being a techie, I am one of the early adopter of e-commerce and other delivery services. Every time I ordered something online the delivery man found it very hard to find my location even though I live in a fairly well-structured area of Dhaka. I understood the pain when I and one of my family friend Navil Mostafa along with his friends started the first motorcycle taxi company called “AmarBike”. We realized google maps is not accurate enough with addresses. We started losing money in almost every ride. Then I realized that this problem is not only ours but any business who needs addresses eventually loses their money. So we started thinking of a platform that goes deep into location where google is wide and Barikoi was born.

### MBR: What is the business model of Barikoi? How pandemic situation has affected your business?

**Al-Amin Sarker Tayef:** Initially Barikoi business model was simple. We used to charge for our API/Product usage on a monthly basis. While that part still exists, we have evolved our business model to a Flywheel one by offering vertically aligned services and value added products to B2B and B2G clients.

The pandemic helped us in many ways. Companies that were looking for a cheaper alternative switched which helped us to gain traction faster.

### MBR: How did you manage to raise initial funding to get started? How the tech part work of Barikoi? Specially the Rupantor System.

**Al-Amin Sarker Tayef:** We have put some of our own money in the initial days. After operating more than year, we were able to raise outside funds from an angel investor.

As a location data company, our tech works in a simple manner. We have built a smart data collection tool that feeds data into our data lake. From there we productize the data and release API's for businesses to use.

# Barikoi

Rupantor is one of our Flagship product. Rupantor makes unusable addresses usable by formatting unstructured or mal-formatted addresses into a formatted readable one using Natural Language processing.

### MBR: Could you please give us an overview of Barikoi in terms of services you offer, number of users you have and the size of your business etc.?

**Al-Amin Sarker Tayef:** Barikoi offers maps, locations API's like location search, autocomplete, find your location (reverse geocoding), rupantor,

nearby search, routing, navigation. We recently added verify as an OPaaS (Operations as a service) using our mapping infrastructure. We have UrbanEngine – a geo visualization dashboard for City Corporations. Trace - Tracking Platform for making real time tracking easy for every company.

Currently we have more than 30 monthly active users, government and few enterprise who deal in the pipeline.

**MBR: You have shifted the business from B2C to B2B and B2G in the initial stage. How did it help the business?**

**AI-Amin Sarker Tayef:** Google is doing a very good job at B2C end therefore competing on B2C is a no brainer. We realized it very early and moved to B2B and B2G. B2G is a tough market to crack but it is a worthy one. B2B customer has a long sales cycle but also steady revenue cycle and longer life time value. Currently we are getting fairly good growth as our company position is maturing.

**MBR: What is the core competitive advantage of Barikoi? Why will the customers use Barikoi instead of Google Maps?**

**AI-Amin Sarker Tayef:** There are few core competitive advantage of being a local company like localization, client support, accuracy, faster up-gradation, customization according to ones need. For B2B market, businesses come to us because we solve their problems that Google does not. Google is wide, Barikoi is deep. General use cases where we offer same services as Google or any other mapping company, customers will choose Barikoi because of the support, accuracy and ability to help them solve their problems.

**MBR: What strategies and activities do you maintain to achieve the growth? What are the challenges Barikoi is currently facing in general?**

**AI-Amin Sarker Tayef:** We have so far seen organic growth from the market. Content marketing helps a lot in terms of gaining new users and educating the market. Currently one of the challenges we are facing: data up-gradation. Keeping data up to date is a big challenge.

**MBR: What steps will you take to expand the client base in future? What are the other future plans of Barikoi?**

**AI-Amin Sarker Tayef:** Barikoi plans to be like Bangladesh Bureau of Statistics (BBS) for location data in future. We plan to expand our client base to FMCG, Distribution, Retail, Pharmaceuticals and Banking etc. We recently expanded a vertical called verify which is currently serving one of the largest local consumer bank and few other companies. We will launch a product for Retail and for F-Commerce in Q3 2021.

**MBR: What are the lessons you have learnt in terms of growing a business? What other entrepreneurs can learn from your growth journey?**

**AI-Amin Sarker Tayef:** The most important lesson I have learnt- story telling. If we can sell a compelling story we can grow the business easily at the initial stage. As we scale up and gain some traction, we need to start looking for key people who can help you to scale both in product and sales.





## IDLC and Prothom Alo Trust Continues Scholarship for 10 More Students of Asian University for Women



On 10th February 2021, 10 students of Asian University for Women received scholarships from a collaborated initiation of IDLC and Prothom Alo Trust. IDLC Finance Limited, Asian University of Women and Prothom Alo Trust has been sponsoring the education of 10 students every year as per a contract signed on 10th September 2018. 6 students from the 2017 batch and 10 students from the 2018 batch and 10 students from the 2019 batch were felicitated and given scholarships under the banner of “Oditiya” last year at the Asian University of Women Campus.

The UNO of Sreemangal Upazila, Mr. Nazrul Islam was present as the chief guest of the event. Preshagor Hazra, Upazila Vice Chairman of Sreemangal also glorified the event with his presence. Principals and vice-principals from local eminent educational institutes were present at the event along with representatives from IDLC and Prothom Alo Trust.

Students who received scholarships from the “Oditiya” reception are all from lower-income family and they are first from their families to get higher education.





## IDLC Appoints Two New DMDs



**Asif Saad Bin Shams**

IDLC Finance Limited recently appointed Asif Saad Bin Shams and Syed Javed Noor as Deputy Managing Director of the company on their Board Meeting held on 17th February 2021.

Earlier, Asif Saad Bin Shams's position in the company was General Manager.

He has over 25 years of experience in the banking sector. He started his career as Principal Officer in Eastern Bank Limited in 1996 where he worked for General Banking, Corporate Banking and worked as a faculty at EBL training institution. Prior to joining IDLC, he served as Head of Policy and Risk Management in Standard Chartered Bank.

He completed his Executive MBA from the University of Dhaka. He has a M. Com and B. Com from the University of Dhaka.



**Syed Javed Noor**

Syed Javed Noor played the role of Company General Manager earlier.

He has over 20 years of experience in the banking sector. He started his career as Management Trainee in the Credit Division of Southeast Bank Limited in 2000. He joined IDLC Finance Limited in 2001 in the Corporate Division. He went on to serve Standard Chartered Bank in its Corporate Banking Division. He rejoined IDLC and worked in the Consumer Division prior to joining HSBC Bank where he worked as Head of Global Trade and Receivable Finance until 2016. He rejoined IDLC again in 2016 as Head of Consumer Division.

Syed Javed Noor has an MBA from Institute of Business Administration, University of Dhaka, and Master of Pharmacy from University of Dhaka.

## AN INNER LOOK AT E-COMMERCE GIANT: DARAZ BANGLADESH

Daraz Bangladesh is the pioneer of the e-commerce industry who has brought a new trend of online retail platforms and change in the shopping trend of Bangladesh. They are a cutting edge e-commerce platform which brings the latest local and international goods to people's doorstep. They offer a wide selection of products from renowned brands in Bangladesh with a promise of fast, safe and easy online shopping experience. From electronics to fashion, there is bound to be something for everyone in Daraz Bangladesh. This leading online retailer platform had established in 2012 by the German investment organization, Rocket Internet and its been running its business since in 2013 in Bangladesh. Daraz is an organization formed with 100% foreign investment. Mainly Daraz group operates its web base marketplace in Pakistan, Nepal, Sri Lanka, Myanmar as well as Bangladesh. In May 2018, Daraz group was acquired by the leading online giant Alibaba Group. Daraz Bangladesh has a young, dynamic and creative team that brings innovation and different innovative concepts for the upcoming and developing digital Bangladesh. Moreover, Daraz Bangladesh brings different campaigns and flash sales which price offerings Bangladesh people can never dream of.



### Major Insights

Total number of suppliers  
**31000**

Current revenue growth  
(YoY) - **190%**



Total number of brands both local and international – **55000**...and counting

Market share among overall e-commerce market, Bangladesh

**75%**



Interest/Commission Daraz takes – Average (depends on categories) **5%**

### Warehouse space and places

Tejgaon- **27,000** square ft.

Uttara- **24,000** square ft.

Chittagong- **10,975** square ft.



### Average Shipment time

**3-7** Days



International delivery – 'DEXPORT' where local Bangladeshi sellers can sell overseas



Number of cities

Daraz delivery locally

**64**

districts



Monthly app visit  
Around

**4**



Million

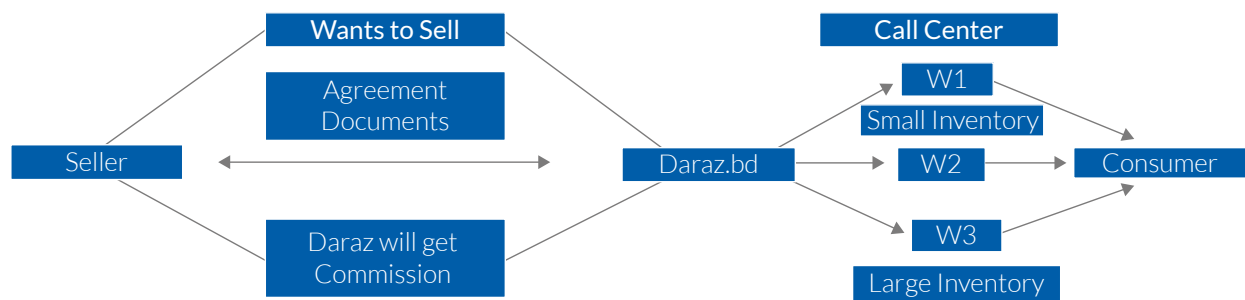
Social media engagement  
(for the month of February)

**147,500** likes on Facebook posts



Source : Daraz

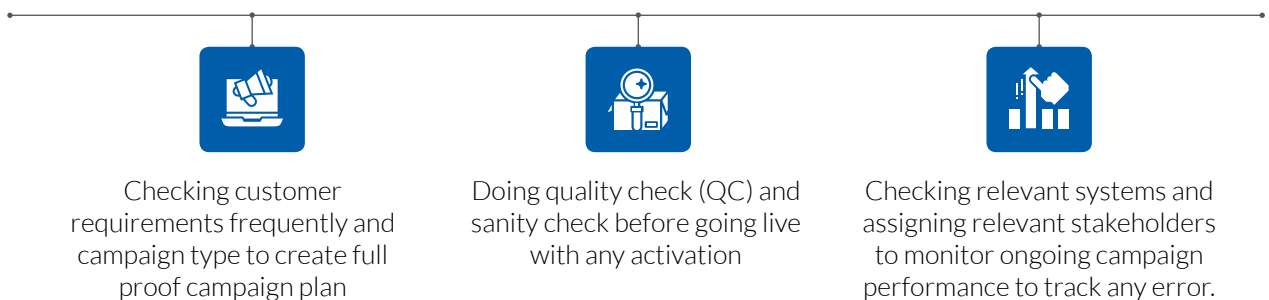
## Business Communication Model (Front)



## Small Strategies behind Huge Success

	Daraz has a good control over seller education and management and they maintain an organized customer care and tracking services as well.
	Daraz stands for 100% authentic, genuine and original products. To ensure compliance with this stringent standards, Daraz has a dedicated quality check team who are routinely screening sellers and products.
	Discount Code, Voucher Code, Return Policy makes Daraz different and acceptable to the customers. Customers are also protected by the Daraz Purchase Protection in case their experience does not live up to Daraz standards and values.
	Daraz's 7 days return policy of a purchase product makes their value proposition stronger and it keep engage customer to become loyal for the company as a customer.

## Ensuring Minimum Level of Errors



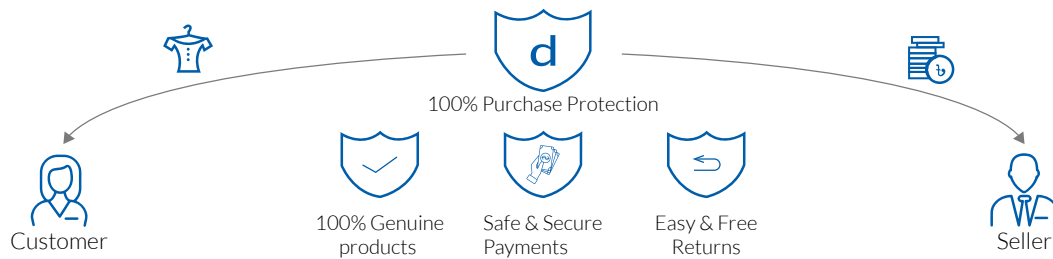
## Trustee between Sellers and Customers

Instead of buying products and selling them to customers (retail model), Daraz acts as a trustee between sellers and customers (marketplace model). Thousands of sellers (screened by Daraz) list their products on the portal.

Daraz always prioritize their customers by:

- Dedicated Customer experience team who are working on rolling out new customer centric projects so that customer experience can be continuously improved.
- Dedicated team who look after issues being brought up by their customers. So that even though the customer has faced any problem, they solve it in the best way possible so that the customer returns to them.
- Daraz is constantly dedicating their time to build and improve their relationship with the customers so that customers don't just think about prices when they come to them, they think about the complete experience.





## Best Prices and Deals One Can Get

The Prices on Daraz are defined by the seller. Therefore, to understand how pricing works in favor of both the seller and customer, we need to appreciate the conditions amenable to competitive

pricing that are available to sellers on the Daraz platform.

Daraz business model has four advantages which directly influence pricing on the website:

	Selling online on Daraz means that sellers do not incur the costs associated with a physical store. That helps them to sell with low margin and optimize the product prices.
	Daraz draws millions of visitors to its platform every month. That means massive growth and added visibility or publicity to local sellers. When sellers sell their wares on Daraz, Daraz's brand power and reach becomes theirs by extension.
	Many products on Daraz are sold by multiple sellers. That incentivizes competitive pricing. Sellers are directly competing with each other ensuring Daraz offers price competitive solutions to consumers.
	Daraz provides sales analytics and other product related data for helping sellers to optimize their product and price structure.

## Changes Encountered

In 2018, Alibaba, the China-based global e-commerce giant, acquired Daraz Group, one of the leading e-commerce companies in Bangladesh which was launched initially by Rocket Internet. It was a strategic initiative to open up South Asian markets and cast an important limelight on the sector. When Alibaba took over Daraz; their structure, internal process and management become more formal, organized and more secure.

While this was a huge boost to the growth of e-commerce, other factors also played a defining role. Such as- the gradually improving access to the internet and rising smartphone usage across households. The integration with Alibaba has mainly brought changes to the technological side.

Daraz Bangladesh recently launched the biggest sale day 11.11 and achieved huge success from the

Bangladeshi marketplace and brings new offers and products for the people like-Fatafati Friday, 12.12 campaign. Various mega deals and other exciting features like Flash Sales, Love Vouchers, Happy Hour, Shake Shake etc. will be available during the 12.12 campaign as well.



## New Investments and Women Empowerment

Recently Daraz's majority of the investment is made on developing logistics infrastructure, including a 200,000-square-foot warehouse, a 150,000-square-foot fully automated sorting center and more than 150 hubs. It already has over 60 hubs across the country.

A portion went towards the creation of entrepreneurs or e-commerce merchants through different projects. The platform is already running some projects such as Nandini, which aims to create female e-commerce entrepreneurs. The main objective of this project is to empower women through e-commerce education and create women entrepreneurs. Dedicated to women, this yearlong project includes various campaigns each month which includes huge discounts, flash sales, attractive vouchers and many more.

## A Simple Boost to the SMEs

Daraz Bangladesh has launched DEXPORTS in order to support small-and-medium enterprises (SME) that have suffered significant losses due to the economic fallout caused by the COVID-19 global pandemic. As the product of a collaborative relationship enjoyed by the two companies (Alibaba Group and Daraz Bangladesh Limited), DEXPORTS presents an opportunity for local sellers in Bangladesh to access the international markets and connect with millions of buyers across the world.



DEXPORTS is a platform to enable local SMEs in Bangladesh to obtain access to the global market. Through the DEXPORTS, a Bangladeshi SME can have special access to Alibaba.com to reach a larger global customer base. By using this access, local SMEs can directly communicate with international buyers with locally made products.

This new platform aims to boost government revenue earnings and employment in the country. The main objective of this DEXPORTS program is to strengthen the country's SME segment by providing global focus through Alibaba.com and creating opportunities for local exporters to interact with approximately 20 million international

active buyers registered on Alibaba.com. The DEXPORTS program also minimizes the cost for an SME to pursue globalization and also to establish socioeconomic development by creating employment opportunities.

## COVID-19 Situation

Daraz has lost around 5,000 of its import-dependent merchants soon after travel bans were issued around the world in order to curb the spread of coronavirus. But then in May 2020, the company added more than 10,000 local retailers to its platform. To provide customers with a better shopping experience amid the coronavirus crisis, Daraz has completely revamped its logistics technology. Customers from across 48 districts are already ordering their daily necessities or engage in gaming facilities available on the Daraz app.

To combat the changing situation and support buyers and sellers, Daraz increased the number of packaging stations, drop-off and collection points it had. However they also prioritized home deliveries with the reasoning that customers were reluctant to come out of their homes. It also started to undertake some initiatives to benefit sellers. Amidst the ongoing pandemic, Daraz has launched four platforms: D-Mart alongside D-Fresh for groceries, Daraz First Games for gaming and Dpharma for medicine. Since May 2020, the number of sellers on the platform started to rebound again for their new strategies and unique initiatives.

## Future Prospects

Daraz has announced its plans to invest BDT 500 crore by 2021 to set up logistics infrastructure and hubs that would help expand its footprint to all 64 districts. They have already started their delivery in all extended areas from this year. To back its expansion, it aims to build logistical infrastructure and local hubs across the country. Infrastructure remains a critical limitation for ecommerce companies in Bangladesh. For instance, a lack of delivery infrastructure continues to negatively affect the consumer experience and the growth of ecommerce in Bangladesh. With the new investment, Daraz aims to tackle some of these limitations and leaps ahead of the competition.

## Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market ended the month of February in negative territory. During the month, the broad index DSEX shredded 4.3%, while blue chip index DS30 declined by 4.8%. On the other hand, Shariah index DSES declined by 3.4%, respectively.

Among the regional peers, only Vietnam (+10.6%) ended the month in positive note, while Sri Lanka (-13.7%) decline the most. MSCI Frontier Markets Index remained flat with 0.3% return. Over the long term, Vietnam showed the most encouraging track record with a 5 years' return of 108.9%.

Table 1: Equity market performance of Bangladesh and peer countries

Indices	Index Points, February 2021	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	5,404.8	-4.3%	11.1%	0.1%	20.6%	-6.9%	19.8%
DS30	2,056.8	-4.8%	21.9%	4.7%	37.8%	-4.2%	19.4%
DSES	1,222.8	-3.4%	9.8%	-1.6%	17.0%	-10.2%	N/A
Peer Countries							
Pakistan (KSE 100)	45,865.0	-1.1%	11.7%	4.8%	20.7%	6.1%	46.2%
Sri Lanka (CSE - All Share)	7,476.3	-13.7%	19.7%	10.4%	33.7%	14.1%	20.7%
Vietnam (VNI)	1,168.5	10.6%	16.5%	5.9%	32.5%	4.2%	108.9%
MSCI Frontier Markets Index	750.7	0.3%	5.7%	0.9%	3.2%	-11.6%	25.9%

\*All returns are Holding Period Return

Source: Investing.com, MSCI, DSE

### Liquidity Condition in Equity Market of Bangladesh

During February, the total market capitalization declined by 2.8%. The daily average turnover of February was BDT 7.6 bn (USD 89.7 mn), declining by 53.0% from that of last month. Turnover velocity which represents overall liquidity of the market stood at 37.2% in February compared to 85.1% of last month. In 2020, turnover velocity of Bangladesh equity market was 30.1%, in comparison to 33.5% in 2019.

Table 2: Market capitalization and turnover statistics

Particulars	28-Feb-21	31-Jan-21	% change
Total market capitalization (USD* mn)	54,922	56,489	-2.8%
Total equity market capitalization (USD mn)	47,942	49,474	-3.1%
Total free float market capitalization (USD mn)	16,797	17,495	-4.0%
Daily Avg. Turnover (USD mn)	89.7	190.7	-53.0%
Turnover Velocity~	37.2%	85.1%	N/A

\*All USD figures are converted using an exchange rate of 84.80 as of February 28, 2021 as per Bangladesh Bank website.

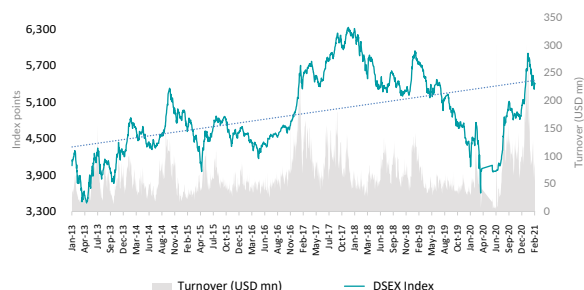
~Turnover velocity is calculated by dividing monthly total turnover with month-end market capitalization. The figures are annualized



## Historical Index Points and Market Participation Data

Since its inception on January 27, 2013, DSEX yielded a holding period return of 39.3% till January, 2021. During the same period, daily average turnover of the market amounted to BDT 5.6 bn (USD 64.9 mn) (Figure 1).

Figure 1: DSEX since inception along with market turnover



Source: DSE

## Market Valuation Level - P/E Ratio:

The market P/E declined to 17.45x in February compared to last month's 18.09x. It is higher than the 20 years' median market P/E of 15.03x (Figure 2). In terms of trailing 12 month P/E ratio, the equity market of Bangladesh is cheaper than most of its regional peers. (Figure 3).

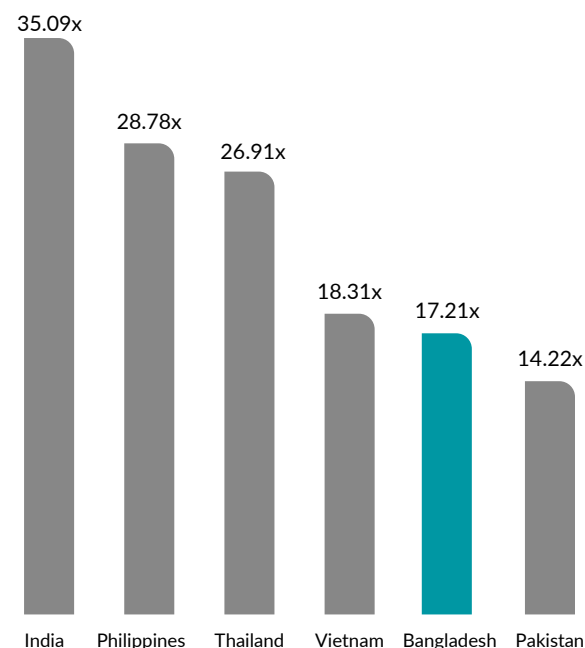
Figure 2: Historical market P/E\* and its median Current Market P/E\* in Context of History



\*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 February 28, 2021

Source: IDLC, Bloomberg

## Sector Performance

During February, all the major sectors closed in red except for Engineering (+8.2%) and Cement (+0.6%). Telecommunication (-10.6%) and NBFI (-8.0%) faced the highest selling pressure.

Telecommunication sector has the highest dividend yield of 5.3% 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	8,410	890	-10.6%	26.5%	4.7%	55.1%	0.5%	99.9%	17.7	7.4	5.3%
Pharmaceuticals & Chemicals	7,111	3,817	-1.9%	12.4%	-0.1%	17.8%	9.2%	37.1%	17.3	2.7	1.5%
Bank	6,481	3,633	-6.0%	-1.1%	-3.2%	17.8%	-5.7%	70.7%	8.0	0.6	4.3%
Engineering	6,344	1,085	8.2%	44.7%	5.4%	87.0%	46.5%	51.5%	20.3	2.6	1.6%
Fuel & Power	5,194	1,398	-2.4%	1.2%	1.3%	3.0%	16.8%	38.7%	12.2	1.4	5.1%
Food & Allied	4,367	1,302	-1.0%	40.8%	23.5%	70.1%	40.6%	78.9%	26.3	8.5	3.4%
NBFI	2,185	680	-8.0%	16.7%	-1.0%	29.5%	-9.5%	39.0%	24.0	2.0	2.0%
Miscellaneous	1,967	776	-3.1%	56.2%	18.2%	63.9%	78.8%	105.8%	41.7	1.9	1.3%
Textile	1,251	720	-2.2%	1.0%	-3.6%	-10.3%	-18.2%	-4.0%	16.0	0.7	1.8%
Cement	1,116	450	0.6%	26.8%	5.9%	8.8%	-23.3%	-31.7%	19.1	2.5	1.6%
Non Life Insurance	995	569	-1.3%	-14.4%	-14.0%	77.6%	125.9%	223.6%	17.9	1.7	2.3%
Life Insurance	633	354	-4.0%	-8.7%	-6.1%	-5.0%	14.3%	20.2%	24.6	6.5	2.0%
Travel & Leisure	302	159	-0.8%	-0.3%	-1.5%	-1.8%	-1.6%	29.4%	48.7	0.8	0.5%
Ceramics	266	111	-6.2%	0.5%	-6.4%	-0.7%	-19.2%	-18.1%	45.2	1.5	2.1%
IT	288	178	-1.0%	-6.0%	-11.0%	-3.6%	-1.7%	7.7%	20.5	2.0	1.6%
Services & Real Estate	214	110	-4.3%	8.3%	-5.9%	9.7%	-6.1%	-3.9%	16.7	1.0	2.7%
Tannery	215	106	-1.0%	1.4%	-3.9%	-10.4%	-30.2%	-32.2%	25.3	1.6	1.2%
Paper & Printing	174	58	-3.4%	-0.5%	Dhaka	-13.7%	-57.0%	-52.0%	40.2	1.0	0.0%
Jute	25	15	-1.1%	5.4%	-25.8%	8.0%	15.3%	160.8%	827.5	6.2	0.2%
<b>Market</b>	<b>47,942</b>	<b>16,797</b>	<b>-4.3%</b>	<b>11.1%</b>	<b>0.1%</b>	<b>20.6%</b>	<b>-6.9%</b>	<b>19.8%</b>	<b>15.6</b>	<b>1.7</b>	<b>3.1%</b>

\*All returns are Holding Period Return.

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

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

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

## Cap Class Performance

During the month of February, Only Micro Cap (+0.7%) class advanced. Large Cap was the highest dividend yielding (3.8%) class.

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	≥119	81.5%	-4.6%	12.0%	3.0%	25.4%	33.1%	102.8%	14.5	1.7	3.8%
Mid	36-118	10.0%	-4.7%	0.8%	-4.9%	7.7%	-55.5%	-41.3%	14.3	1.0	2.0%
Small	12-35	6.8%	-2.3%	-3.5%	-8.5%	5.1%	21.9%	64.3%	20.3	0.9	2.1%
Micro	<12	1.7%	0.7%	-3.3%	-6.5%	6.5%	-91.0%	-88.1%	29.9	0.5	0.9%
<b>Market</b>	<b>-</b>	<b>-</b>	<b>-4.3%</b>	<b>11.1%</b>	<b>0.1%</b>	<b>20.6%</b>	<b>-6.9%</b>	<b>19.8%</b>	<b>15.6</b>	<b>1.7</b>	<b>3.1%</b>

\*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 WALTONHIL (+16.5%) advanced the most during February. Majority of these companies yielded outstanding return over longer time horizon (5 years) such as BEXIMCO (+300.3%), UPGDCL (+159.2%) and BXPHERMA (+125.0%). On the other hand ROBI (-16.2%), GP (-9.0%) and BEXIMCO (-7.7%) declined the most during February.

Among the scrips, GP, TITASGAS, DUTCHBANGL, UPGDCL, SUMITPOWER, and ISLAMIBANK 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- ca-tion	5,387	539	1.33	-9.0%	6.0%	-2.5%	29.6%	-16.7%	68.2%	12.3	15.7	8.1%
WALTONHIL	Engineering	4,360	42	1.44	16.5%	74.4%	9.6%	N/A	N/A	N/A	28.6	4.7	1.6%
BATBC	Food & Allied	3,279	867	9.13	-1.1%	50.0%	30.8%	68.1%	41.7%	87.3%	25.5	8.4	3.9%
ROBI	Telecommuni- ca-tion	2,712	270	5.94	-16.2%	N/A	47.3%	N/A	N/A	N/A	133.0	3.8	0.0%
SQURPHARMA	Pharmaceuticals & Chemicals	2,262	1,480	2.07	-6.4%	17.7%	-1.4%	11.9%	-18.4%	17.7%	12.4	2.7	2.1%
UPGDCL	Fuel & Power	1,866	187	0.62	-3.1%	-8.6%	3.6%	8.2%	113.1%	159.2%	14.4	6.0	4.8%
RENATA	Pharmaceuticals & Chemicals	1,329	649	0.41	0.1%	9.9%	4.5%	7.5%	19.2%	62.3%	23.5	5.7	1.0%
ICB	NBFI	968	31	0.11	-4.0%	22.9%	3.1%	27.1%	-12.9%	29.3%	66.2	8.6	0.5%
BXPHARMA	Pharmaceuticals & Chemicals	927	648	5.28	-4.3%	22.9%	-7.5%	140.3%	72.6%	125.0%	17.8	2.6	0.8%
BERGERPBL	Miscellaneous	850	43	0.36	1.3%	17.1%	8.8%	13.0%	46.6%	68.7%	32.4	9.9	1.9%
BEXIMCO	Miscellaneous	832	578	18.68	-7.7%	231.3%	41.2%	406.3%	255.3%	300.3%	143.8	1.2	0.6%
MARICO	Pharmaceuticals & Chemicals	782	78	0.21	-2.2%	-0.3%	-1.6%	32.9%	104.7%	92.3%	19.9	36.0	1.0%
LHBL	Cement	712	252	1.85	3.6%	43.6%	8.8%	21.2%	-8.5%	-24.3%	30.2	3.9	1.9%
BRACBANK	Bank	710	382	0.47	-6.0%	-1.3%	2.5%	34.4%	-21.7%	113.0%	16.9	1.6	1.5%
SUMITPOWER	Fuel & Power	572	210	2.40	-1.3%	23.4%	16.7%	14.1%	54.8%	58.9%	8.1	1.5	4.4%
ISLAMIBANK	Bank	490	238	0.16	-6.5%	-1.5%	-3.7%	44.7%	-6.8%	37.8%	8.4	0.7	3.9%
UNILEVERCL	Food & Allied	446	42	0.22	4.6%	32.5%	11.7%	69.1%	121.1%	105.2%	61.9	33.5	1.7%
OLYMPIC	Food & Allied	396	240	0.18	-5.8%	-4.3%	-12.1%	-8.4%	-31.9%	-31.8%	15.6	4.6	3.1%
TITASGAS	Fuel & Power	387	97	0.09	-0.9%	10.3%	7.8%	-1.2%	-8.9%	-7.4%	11.6	0.5	7.8%
DUTCHBANGL	Bank	368	48	0.08	-6.9%	-2.7%	-4.0%	11.0%	52.7%	96.7%	7.4	1.2	4.8%
<b>Market</b>		<b>47,942</b>	<b>16,797</b>	<b>89.68</b>	<b>-4.3%</b>	<b>11.1%</b>	<b>0.1%</b>	<b>20.6%</b>	<b>-6.9%</b>	<b>19.8%</b>	<b>15.6</b>	<b>1.7</b>	<b>3.1%</b>

\*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 4 year CAGR outperformed the market, during the same period. Among them CAPM unit Fund (+11.4%) yielded the highest return. On YTD basis, all these funds outperformed the market except for LankaBangla 1st Balanced Unit Fund (-8.3%).

Table 6: Top ten open end funds based on 4Y return (CAGR) performance

Name	Asset Management Company	Fund Size (USD mn)	NAV Return		
			2021 YTD*	2020	2017-2020
CAPM Unit Fund	CAPM	1.7	5.2%	30.6%	11.4%
UFS-Pragati Life Unit Fund^	UFS	0.9	7.8%	35.5%	9.1%
LankaBangla 1st Balanced Unit Fund	LankaBangla	5.1	-8.3%	29.2%	8.7%
Peninsula AMCL BDBL Unit Fund One	Peninsula	2.3	7.0%	35.3%	8.5%
IDLC Balanced Fund	IDLC	8.0	3.1%	29.4%	8.3%
Seventh ICB Unit Fund	ICB	5.0	6.7%	20.4%	7.7%
VIPB Accelerated Income Unit Fund	VIPB	8.3	4.2%	13.0%	7.2%
ICB AMCL Pension Holders' Unit Fund	ICB	3.8	0.5%	36.5%	6.9%
ATC Shariah Unit Fund	ATCP	1.5	3.8%	17.6%	6.6%
Third ICB Unit Fund	ICB	3.8	6.5%	23.9%	6.4%
<b>Market (Broad Index) Return (%)</b>			<b>0.3%</b>	<b>22.3%</b>	<b>1.8%</b>

\* Based on published NAV and DSEX point of February 25, 2021

^NAV of Dec 30 was not disclosed due to year closing.

All the top ten closed end mutual funds on the basis of 5 years (2016-2020) performance yielded positive returns on YTD basis, except for ICBSONALI1 (-0.1%). Among them, ICBAMCL2ND (+4.4%) yielded the highest return.

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

DSE Code	Fund	Fund Size (USD mn)	Price <sup>1</sup> (BDT)	NAV <sup>1</sup> (BDT)	Price/NAV	Dividend Yield <sup>2</sup> (%)	NAV Return <sup>3</sup>				Redemption Year <sup>4</sup>
							2021 YTD	2020	2018-2020	2016-20	
NLI1STMF	VIPB	8.5	12.7	14.2	89.2%	3.9%	3.7%	13.4%	-0.1%	9.5%	2030
GRAMEENS2	AIMS	40.7	16.2	18.9	85.7%	4.3%	1.1%	18.5%	2.7%	9.2%	2029
SEBL1STMF	VIPB	15.8	12.5	13.4	93.2%	2.4%	3.7%	12.8%	-0.4%	9.1%	2029
RELANCE1	AIMS	9.4	11.3	13.2	85.5%	0.0%	1.7%	15.5%	2.2%	8.7%	2030
1STPRIMFMF	ICB AMCL	2.6	16.0	11.1	143.8%	5.0%	4.0%	35.7%	3.1%	8.5%	2030
PRIME1ICBA	ICB AMCL	10.0	6.6	8.5	77.8%	7.6%	3.3%	33.0%	2.8%	8.1%	2030
ICBSONALI1	ICB	10.4	7.9	8.8	89.6%	6.3%	-0.1%	28.3%	2.4%	7.8%	2030
ICBEPMF1S1	ICB	6.8	6.7	7.7	87.4%	7.5%	3.1%	40.0%	1.4%	6.9%	2023
ICBAMCL2ND	ICB	5.2	7.8	8.8	88.2%	6.4%	4.4%	35.1%	0.3%	6.9%	2027
LRGLOBMF1	LR GLOB-AL	43.8	6.6	11.9	55.3%	6.1%	2.9%	24.9%	2.0%	6.7%	2031
<b>Market</b>							<b>0.3%</b>	<b>22.3%</b>	<b>-4.7%</b>	<b>3.1%</b>	

<sup>1</sup> Price as of March 02, 2020, and NAV published on February 25, 2021.

<sup>2</sup> On last cash dividend declared.

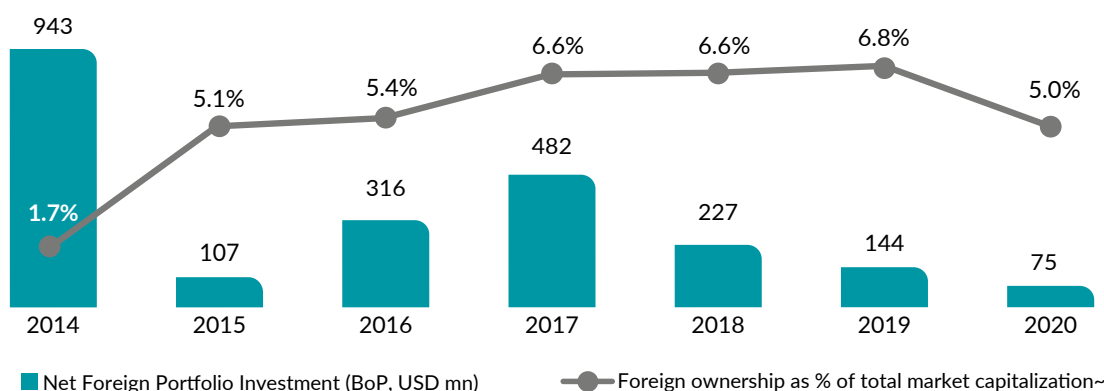
<sup>3</sup>CAGR computed for respected periods, except for 2019 and 2020 YTD, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

<sup>4</sup>In reference to BSEC Press Release বিএসইবিস/মুখ্যপত্র (৩য় খণ্ড)/২০১২/২৫ 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 January 2021, total foreign ownership stood at 5.4% of the total equity market capitalization, which was only 1.7% in 2014.

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



Source: DSE and Bangladesh Bank

~% 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 39.3% as of January 2021, followed by OLYMPIC with 27.6%.

Table 8: Top ten companies with highest foreign shareholding as of January 2021

Ticker	Sector	Foreign Shareholding*
BRACBANK	Bank	39.3%
OLYMPIC	Food & Allied	27.6%
BXPHARMA	Pharmaceuticals & Chemicals	26.4%
RENATA	Pharmaceuticals & Chemicals	22.7%
MLDYEING	Textile	21.9%
DBH	NBFI	21.7%
ISLAMIBANK	Bank	20.6%
SHEPHERD	Textile	18.4%
VFSTD	Textile	18.3%
SQURPHARMA	Pharmaceuticals & Chemicals	17.1%

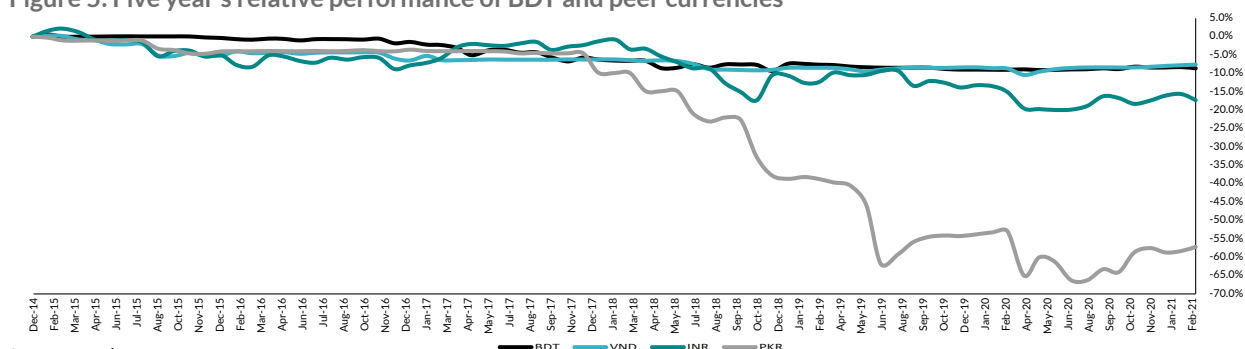
Source: DSE

\*Latest Data for Foreign shareholding available on DSE are as of January 2021.

## Performance of BDT and Currencies of Peer Countries against USD

Since 2015, BDT retained its value better than majority of the currencies of peer countries. While BDT depreciated by 8.6% against US Dollar, other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) lost 7.6%, 17.3% and 57.2%, respectively.

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



Source: Investing.com





ব্যবসা ছোট হোক বা মাঝারি  
আপনার পাশে আছে

আইডিএলসি এসএমই লোন