Emerging Credit Rating Limited

Monthly Update - August 2021

BUDGET 2021-22

COVID-19 Aftermath

Outlook of RMG Industry

Export & Inflation

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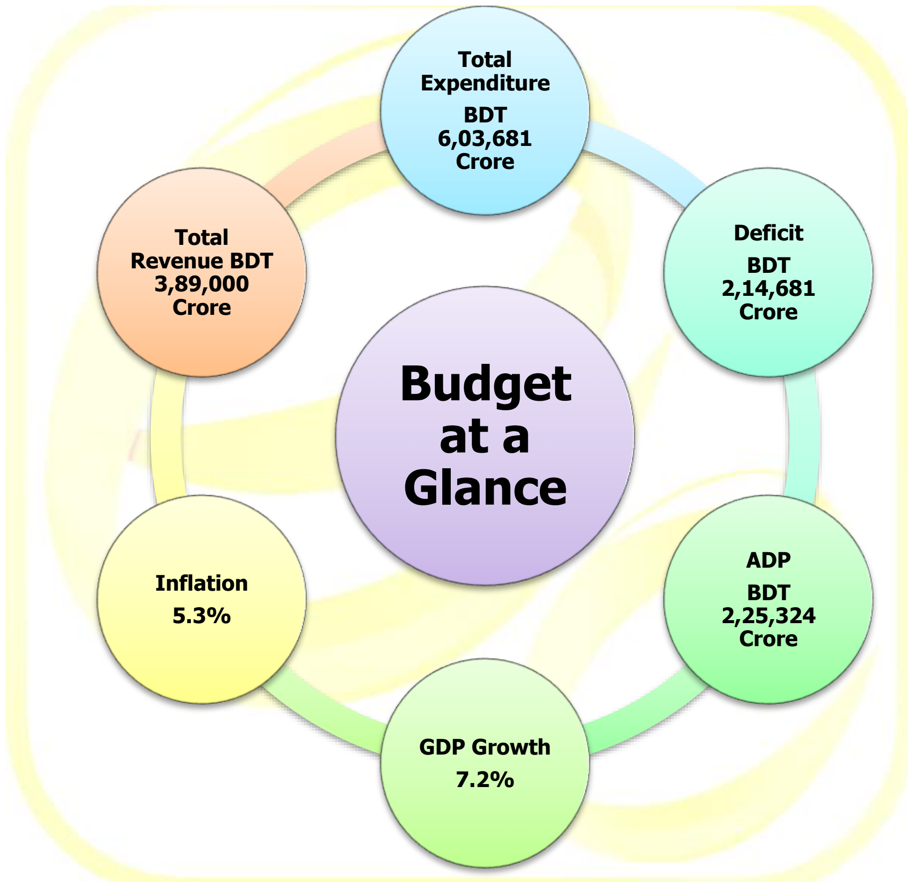
1.1 Budget at a Glance

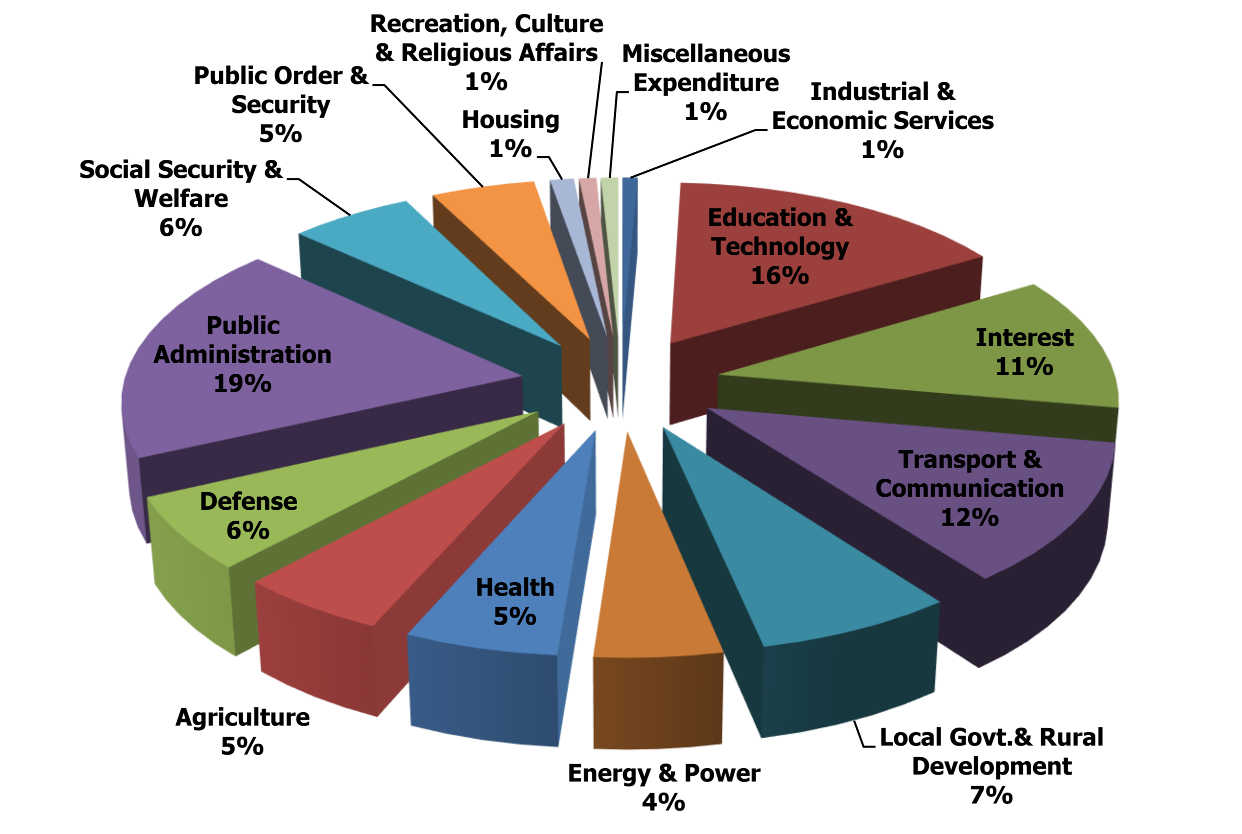
Exhibit 1: National Budget 2020-2021



After successfully containing COVID 19 in 2020-2021, Government of Bangladesh (GOB) has unveiled an ambitious National Budget of 2021 to 2022. While the GOB sets target on a GDP 7.2% the World Bank estimates a GDP growth of 5.10%[1] for the "Emerging Asian Tiger" but what cannot be argued is that the road in front of Bangladesh is a challenging one. With COVID 19 still raging through Southeast Asia the road to recovery will be significantly difficult.

[1] World Bank. Bangladesh Bank Development Update Spring 2021

Exhibit 2: Budget Allocation



1.2 COVID 19 Preparedness and Health Sector

ECRL anticipates that successfully containing COVID 19 shall play a key role in achieving the budget. The GOB recognizes this fact and has allocated BDT 10,000 crore, to meet the expenses related to unanticipated emergency requirements regarding COVID 19; Bangladesh is also receiving foreign funding USD 800 million regarding COVID 19. Regarding COVID 19 stimulus fund what ECRL is particularly concerned about is the rate at which the COVID 19 stimulus packages are being disbursed the table below shows that a significant portion of stimulus package is yet to be disbursed which is hampering the recovery rate.

Exhibit 3: Stimulus Package

Name of the package		***BDT (billions)***	***US$ (millions)***	***Disbursement rate***
1	Salaries and allowances for workers in export industries	50	588	100%
2	Working capital for industries and service sector	400	4,706	62.8%

3	Working capital for cottage, micro, small and medium enterprises (CMSME)	200	2,353	31.7%
4	Bangladesh Bank Export Development Fund (EDF)	128	1,500	72.5%
5	Pre-shipment credit refinance scheme	50	588	2.4%
6	Special honorarium for doctors, nurses, medical workers	1.0	1.12	0%
7	Health insurance and life insurance	7.5	88.2	3.4%
8	Free Food Distribution	25	294.1	42.7%
9	Open Market Sales at 10 BDT/kg	7.7	90.6	100%
10	Cash transfer to targeted poor people	12.5	147.1	69.9%
11	Expansion of allowance programs	8.2	96.5	2.9%
12	Construction of home for homeless people	21.3	250.5	57%
13	Additional procurement of paddy/rice (2.0 lac ton)	8.6	101.2	59.2%
14	Support for farm mechanization	32.2	378.8	84.1%
15	Agricultural lending program	50	588	67.1%
16	Agriculture subsidy program	95	1,059	75.6%
17	Refinance scheme for lower income professionals, farmers and small businesses	30	352.9	37.9%
18	Lending through four specialized banks to create employment among the poor	32	376.5	21.4%
19	Interest subsidy to commercial banks (banks received application for BDT 13.9 billion interest waiver)	20	235.3	0%
20	Credit guarantee scheme for the SME sector	20	235.3	0%
21	Support to the laid off workers in the RMG and leather industry	15	235.3	0.1%
22	Credit support to the CMSME sector (recent scheme)	15	176.5	0%
23	Support for the elderly people, widows and female divorcees (recent scheme)	12	141.2	0%
	Total	**1,241**	**14,583.1**	**52.4%**

Based on the economic activities of January 2021 to May 2021 it is imperative that the GOB moves on with the vaccination strategy and the GOB has placed adequate emphasis on the Budget and is committed to providing free vaccination to all citizens of the country. This is highly commendable with GOB in the final stages of signing a USD 940 agreement with ADB for procuring Vaccines and has already received USD 500 million for procuring vaccines and USD 14.87 million for logistical support[2]. GOB also expects to get support from European Investment Bank and AIIB.

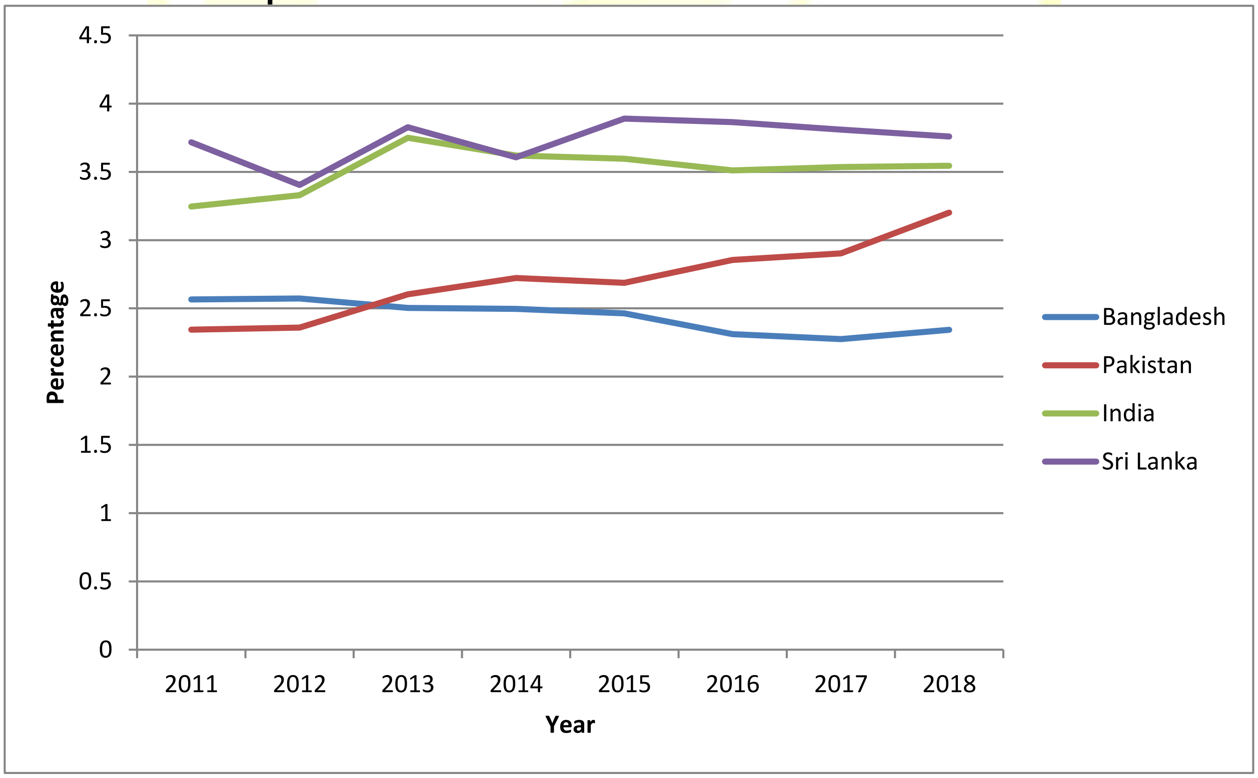
[2] National Budget Speech Bangladesh 2021-2022

However, securing finance for Vaccines is only half the story with vaccine being such short in supply ensuring continuous supply of Vaccines will be the biggest challenge. In this regard, the GOB will face steep challenges in ensuring adequate vaccine for mass inoculation without which in ECRL's opinion the following industries will continue to suffer in 2022.

1. Travel and Tourism
2. Fast Food and Restaurant
3. Beverage Industry
4. Footwear Industry
5. Education Sector

Even though every industry has suffered the industries mentioned above are particularly prone to taking heavy losses because without mass immunity it is unlikely that these businesses operating in these industries will be able to sustain without incurring a heavy loss as a result ECRL is concerned for these industries. What is surprising regarding this National Budget 2021-2022 is that the GOB's low allocation in the health sector. In the outgoing fiscal year, the government allocated BDT 29,247 crore or 5.15 percent of the total budget and 5.84 percent of the revised budget, while in BFY 22 BDT 32,731 crore or 5.42 percent of the total budget or only 0.95 percent of GDP. As the graph below shows that historically Bangladesh has spent significantly less compared to its neighboring countries in the health sector, this is concerning as COVID 19 has already exposed India's lack of preparation in the first half of 2021, a similar infectious rate in Bangladesh shall put its health infrastructure in a considerable challenge.

Exhibit 4: Health Expenditure as % of GDP

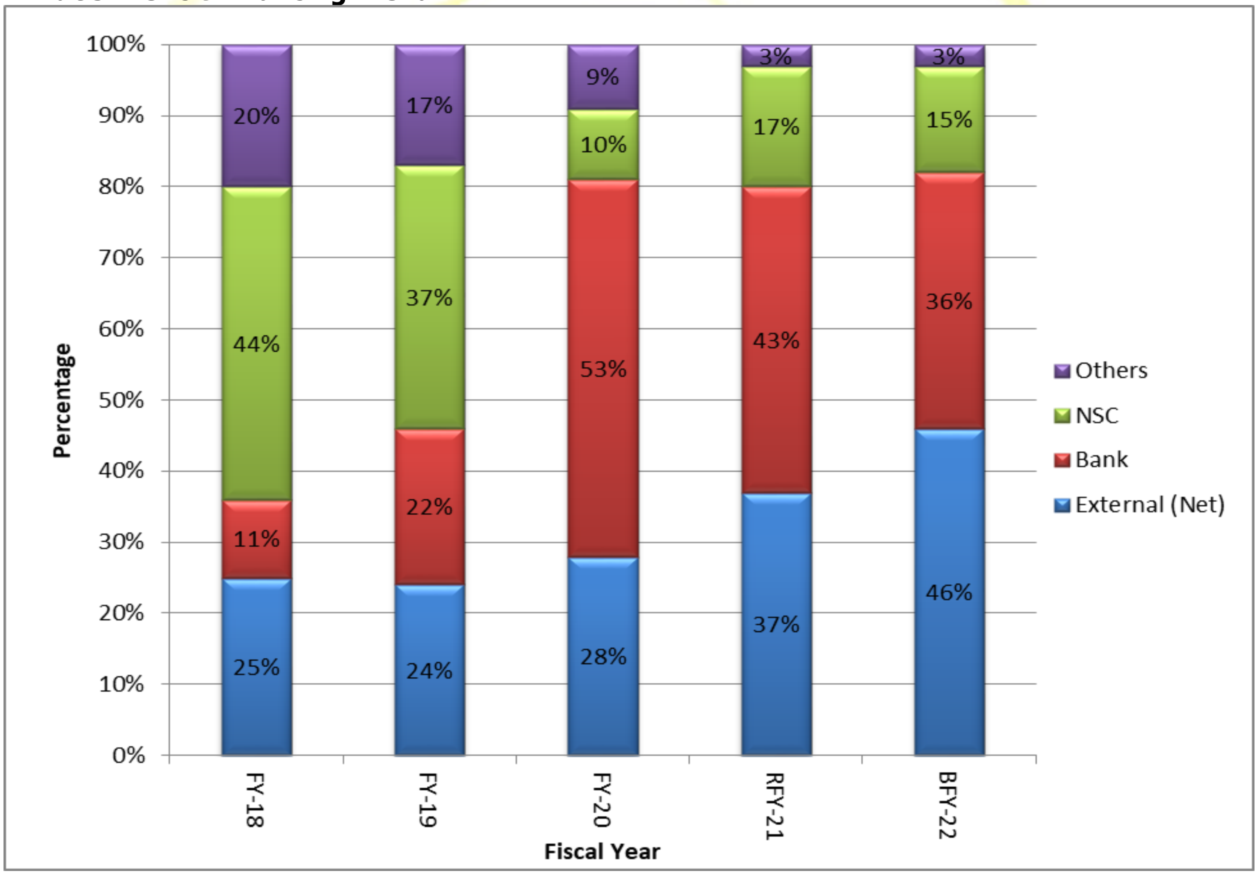


Source: World Bank

1.3 Liabilities and Debt

ECRL considers the GOB's low reliance on external debt to be commendable and GOB's future debt planning to be praise-worthy. For BFY 22 Budget deficit of 54% will be from domestic financing while 36% of the total deficit will be coming from bank borrowing. Financing a major portion of the deficit through domestic financing has always been considered as a double-edged sword for the country as opting to maintain low foreign loans enabled the country to build large foreign currency reserves at the same time reducing foreign exchange rates risk but this has also dampened private credit growth. The IMF recently (May 2020) conducted the Debt Sustainability Analysis (DSA) of Bangladesh which revealed that the Public and Publicly Guaranteed debt service-to-export ratio and debt service-to debt revenue stand at 5.3 percent and 8.4 percent respectively at the end of 2019. The analysis also reveals that the overall external debt is 18.5% of GDP at the end of 2019 which indicates that Bangladesh's external debt lies far below the threshold level and the government has adequate repayment capability[3].

Exhibit 5: Deficit Financing Trend



Source: MOF

1.4 ADP Allocation and its Impact

GOB has continued with its commitment to improving infrastructural facilities as a result 27.4% of the ADP funds has been allocated to Transportation and Communication, however, Health has received only 7.7% of ADP, even though Health Sector allocation increased from 6.4% (BFY2021) ECRL is concerned that

[3] MTMPS 2020

adequate stress has not been given in the sector as no new project was allocated particularly to address COVID 19 and no COVID 19 related project was found in the list of "Unapproved Projects without allocation". What ECRL found particularly surprising is that with the commitment of food security in National Budget 2021-2022 the GOB has marginally decreased ADP allocation from 4.1% FY 2021 to 3.4% FY 2022.

Exhibit 6: ADP Allocation

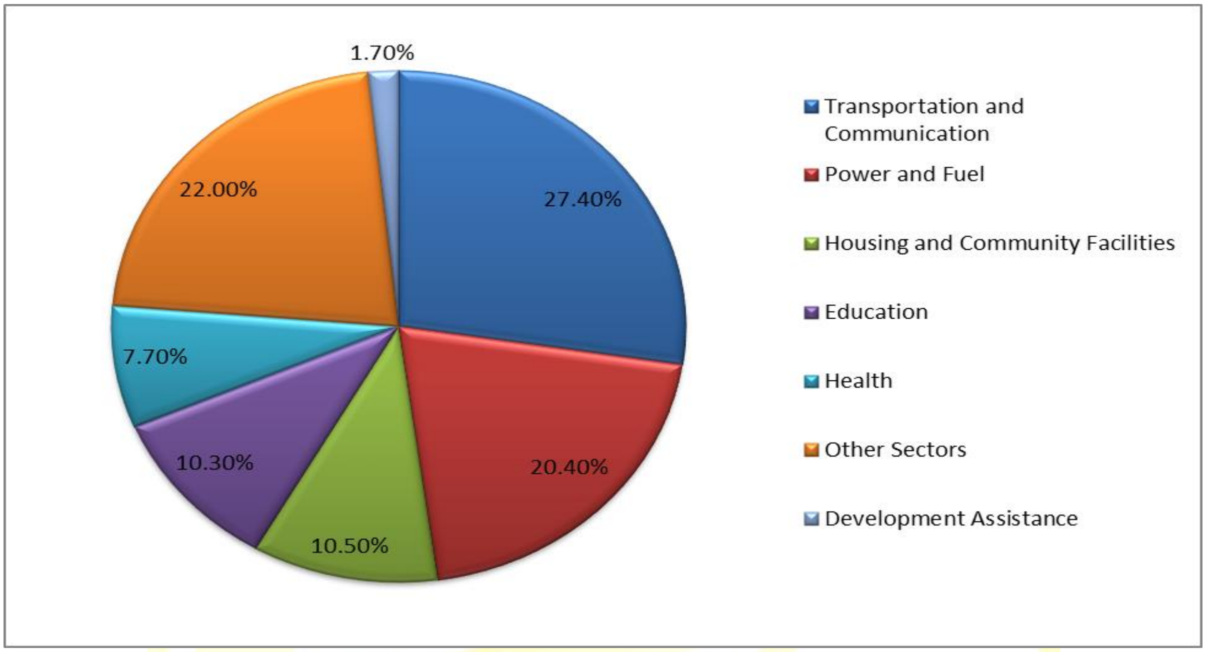
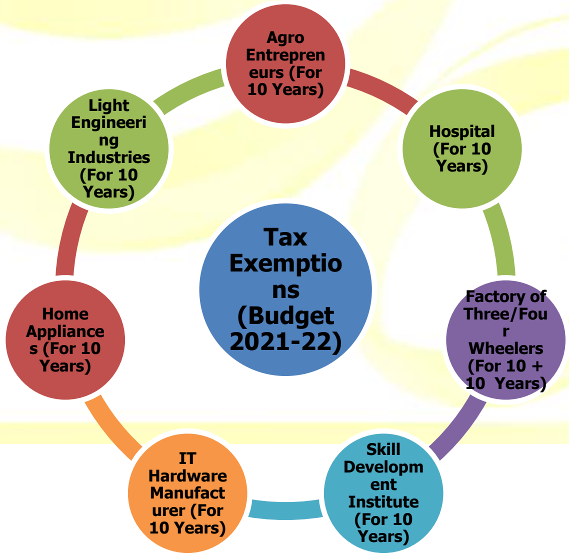


Exhibit 7: Tax Exemptions



1.5 Impact of Budget on Prices of Goods and Services

The ongoing budget is deemed to be business-friendly and growth-centric. It encourages local manufacturing industries to produce more by lowering the tax charges and import duties on raw materials. Considering the current health crisis, the budget provides a great incentive to the health sector to build up hospitals and to procure the Covid-19 test kits, vaccines, PPE, masks, etc. The information technology sector gets increased priority in the view of the government's vision of transforming to be a digitalized economy. Tax exemption is given to multiple sectors considering their necessity and prospect of contributing to economic growth.

Exhibit 8: Snapshot of Tax Impacts

Sl.	Industry	Impact
1.	Corporate Tax	Listed Company Reduced from 25% to 22.50% Non-Listed Company Reduced from 32.5% to 30%
2.	Women Entrepreneur	The threshold for minimum for Annual Turnover of Minimum Tax increase from BDT 50 lac to BDT 70 lac
3	One Person Company	Tax rate has been fixed at 25%
4	Supply of Electricity	Subject to TDS of 6% in absence of tax exemption certificate from NBR.
5	Import	AIT at import stage cannot exceed 20% of the value of imported goods
6	Sukuk	No TDS in transfer of property to a trust/SPV for issuing Sukuk
7	Fish farmers	15% on annual income exceeding BDT 30 lac
8	Whitening Black Money	Finance Bill 2021 allows the whitening of undisclosed money through investments in the capital market, purchase of land and properties, or establishment of new industries for the next fiscal year.

ECRL signs Credit Rating Agreement with Community Bank Bangladesh Limited

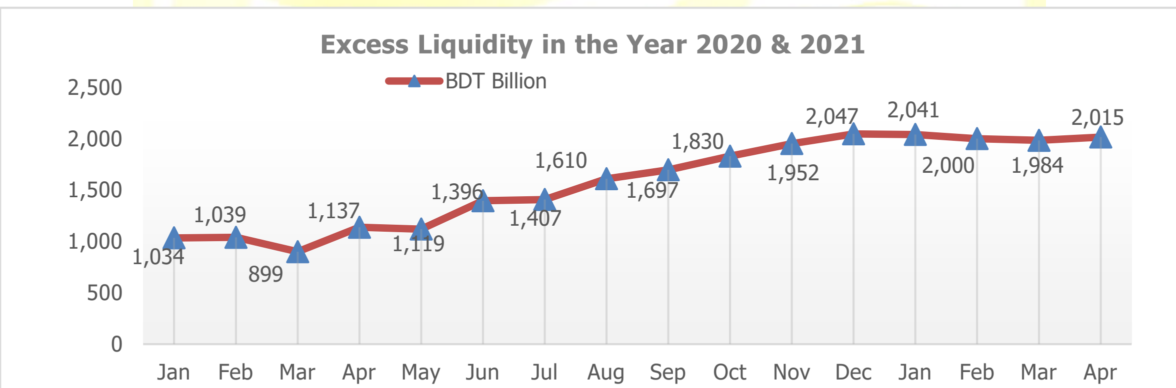
2. Excessive Liquidity in the Banking Industry: A COVID-19 Aftermath

Excess liquidity in Bangladesh's economy had been prevailing for the past few years which had been further influenced in the year 2020-2021. Bangladesh economy is currently going through surplus liquidity which has been consistently increasing after the Covid-19 situation. However, surplus or excess liquidity in the Bangladesh economy might have adverse implications as well which depends on factors like private sector credit growth, rising non-performing loans, unemployment, growing foreign exchange reserve with lower import payments which subsequently have an impact on the exchange rate.

2.1 Excess Liquidity in Bangladesh

Bangladesh's Banking Sector has been facing this excess liquidity dilemma after Bangladesh Bank induced a stimulus package to prevent the economy from collapsing amid the pandemic with expansionary monetary policy and low demand for funds from the private sector. The private sector credit growth declined as of January 2021 to 8.32% which was 8.37% in the previous month due to fewer borrowings and fixed deposit schemes reduced to a 3-4% interest rate. Banks are being extra cautious while providing loans to people. This has contributed to the growth of excess liquidity. However, the second wave of the Covid-19 pandemic had further caused fluctuation in the liquidity surplus. It started to decline from January 2021 then began rising again in April which was BDT 2,015 billion, up from BDT 1,984 billion a month ago.

Exhibit 9: Excess liquidity in 2020 & 2021



Source: Dhaka Tribune (June 2021)

2.2 Reasons for Excess Liquidity

➔ **Lower demand for credit:** Due to the uncertainty in the economy, demand for credit has declined in FY2020. Compared to FY2019, as the private sector credit growth, credit to the government sector and public sector credit growth exhibited lower growth rates. However, after the first wave, the growth rate increased with some fluctuations and then started to fall since February to 8.3% in April 2021.

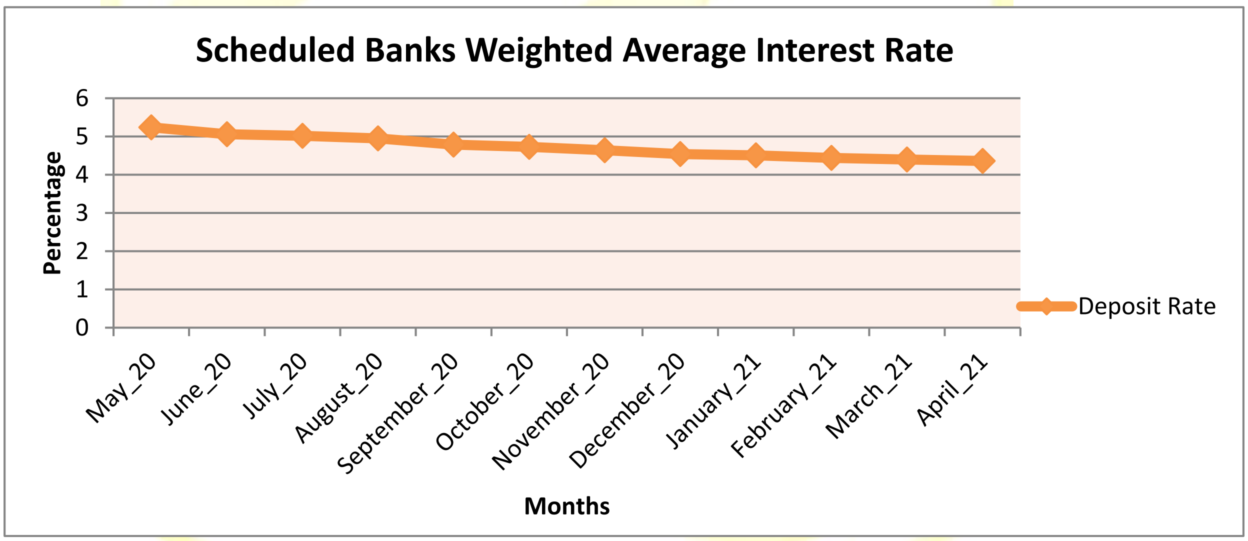
➔ **Remittance:** Amidst the economic crisis, remittance flow in Bangladesh had been remarkable which increased the foreign exchange reserve. However, this increasing trend of remittance pushed the liquidity in the banking sector further.

- **Policy & Regulation**: Due to stimulus funds and relaxation of policies by the central bank, pushed up excess liquidity.
- **Bank rate:** Bank rate slashed from 5% to 3-4% for the current fiscal year which added to the liquidity in the banking sector.
- **Banks having cautious lending:** Due to the relaxed policies and no risk premium, banks are cautious in lending leading to slow growth in loans and advances.
- **Import payment**: During the pandemic, the decline in import payment helped to increase the liquidity surplus. However, during July-March of FY21, the import increased.
- **Government borrowing declined**: Due to the slow implementation of government projects, government borrowing also declined.

2.3 Impact of Excess Liquidity in Bangladesh

- Excess reserves of banks represent un-invested cash. According to Bangladesh Bank, excess reserves of all banks increased from BDT 67.40 billion or 2.15% of total liquid assets, in January 2020, to BDT 447.80 billion or 10.81% of total liquid assets, in December 2020. The banks are paying interest for the idle cash but comparatively low return as fewer investments.
- Due to a lack of demands for the private sector credit and increasing excess liquidity, banks have slashed the interest rate on their deposit products to improve their interest rate spread which is one of the important determinants of a financial institution's profitability or lacking thereof. Thus banks have been rigorously investing in alternative sources of funding such as treasury bonds, treasury bills, etc.

Exhibit 10: Scheduled Banks Weighted Average Interest Rate



Source: Bangladesh Bank

- The call money rate, the rate at which banks lend overnight money to each other, dropped mainly due to the slow credit demand.
- Moreover, as per industry insiders, the stimulus package had not been fully utilized. Many small and medium businesses were deprived of the stimulus fund indicating the cautious lending policy by the banks.
- As the interest rate spread is low, banks emphasize a low-cost fund like Current Account Saving Account (CASA), a tool for reducing the cost of funds and discourage long-term fixed deposits.

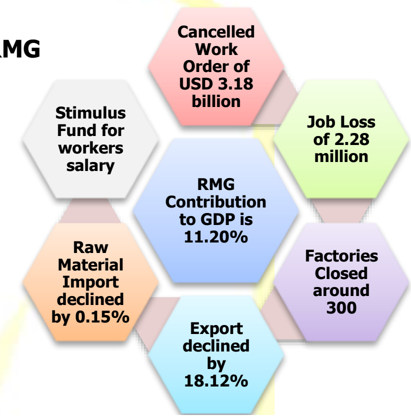
ECRL Training

Our Director & COO, Mr. Arifur Rahman FCCA, ACA and Mr. Saami Alam (Chief Rating Officer) has successfully completed two-day workshop on Project Management and Strategic Learning at the Institute of Chartered Accountants of Bangladesh.

3. Highlights of RMG Industry

As the world moves towards recovery from the impact of COVID-19, many economies still face the challenge of the second wave. The impact of COVID-19 affected the supply chain, production, import-export activities, etc. of the global economy. Bangladesh is one of the South Asian countries experiencing a major export decline in 2020 because it specialized in textiles manufacturing which covers more than 80% of the export earnings. The **outlook of the RMG** is pointed below:

Exhibit 11: Outlook of RMG

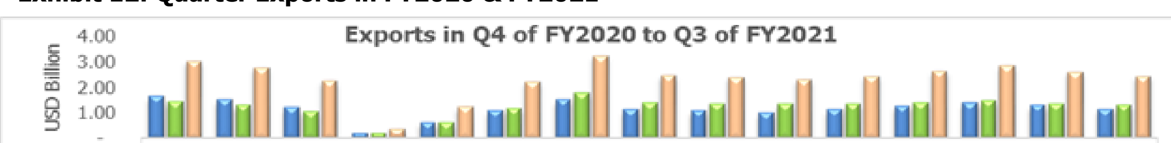


Source: A2i (2020); USDA, BGMEA, thedailystar.net; Author's Calculation based on EPB data

- ➔ There are 6,502 registered Garments & Textile factories in Bangladesh with 4,621 members in Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and also textile mills of 1,488 who are members in Bangladesh Textile Mills Association (BTMA) (USDA, 2021).
- ➔ The factories employ more than 4.50 million workers paying around USD 5.00 billion as wages to its workers (BGMEA, 2021).
- ➔ Due to the turmoil worldwide, 1,150 factories in Bangladesh lost work order as per data by BGMEA and many workers lost jobs also getting contracted by the disease although with a negligible death rate (Moazzem, 2021).
- ➔ The pandemic also affected the industry's import, production, monetary health and increased competition in the international market.
- ➔ Currently, the Quantum Index of Industrial Production (QIIP) of RMG & textile industry improved after receiving export orders and produces 34.82% & 14.07%, of total industrial output respectively (Financial Stability Department, Bangladesh Bank, 2021) Government support and the low-interest fund had helped the industry to tackle the situation to some extent.
- ➔ However, later most of the work orders had been reinstated although the price of the export products had been negotiated for discounts 20%-50% (BGMEA, 2021).

3.1 Impact of COVID-19 on Import, Raw Material & Export

Exhibit 12: Quarter Exports in FY2020 & FY2021



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Woven	1.63	1.51	1.20	0.19	0.62	1.08	1.49	1.10	1.06	0.99	1.11	1.26	1.40	1.27	1.14
Knit	1.41	1.28	1.06	0.18	0.61	1.16	1.75	1.36	1.35	1.34	1.33	1.39	1.46	1.35	1.31
Total	3.04	2.78	2.26	0.37	1.23	2.24	3.24	2.47	2.41	2.32	2.44	2.65	2.86	2.63	2.45

Source: (USDA, 2021)

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- During the pandemic, the import of raw materials for RMG & textile declined by 0.15% in FY2020 as the borders closed down and limited movement in the exporting countries of the raw materials like China.
- However, the raw material price had been stable during the pandemic in FY2020 when demand was low which started rising after the lockdown.
- Export data suggests that there had been a fluctuation in the export performance which had been due to the delay in payment collection from the buyers which is why the export in April 2020 fell then in May 2020 had a sudden increase and had fluctuated over the reviewed months. As the work orders had been canceled and there were fewer orders with delay in payment, the export earning had a slow growth in December to January o FY2021 then again slashed a little in February to March of FY2021.

3.2 Impact of COVID-19 on Workers

- According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), from March to April 2020, 300 factories closed down which resulted in job loss of 2.28 million workers (USAID, Bangladesh, 2021).
- As workers were prohibited during the lockdown, they received less than the actual wages which brought a cumulatively severe impact upon the health and food intake of workers and their families as purchasing ability declined.
- However, most of the laid-off or retrenched workers had been taken back by the factories as they are approaching to recover.

3.3 Increased Competition

The country has faced increasing competition in recent years, which added to the challenges resulting from the pandemic. Vietnam has outpaced Bangladesh's RMG industry in exporting to the US market for a while which was 2.5 times more than those from Bangladesh. Vietnam took the opportunity of exporting to the US buyers as they move out of China (Achim Berg et.al, 2021). Moreover, factors like diversified products, geographical position, lead time, logistic support, labor productivity, etc. give Vietnam a comparative advantage over Bangladesh although the labor cost is lower in Bangladesh comparatively.

3.4 Stimulus Package & Other Factors

The Government declared ranges of economic responses like the stimulus package of BDT956 billion (USD11.2 billion), or 3.3% of GDP for the economic recovery of whichBDT 50billionallocated to provide salary and allowance support to the businesses of the export-oriented industries. However, studies revealed that many workers did not receive wages or benefits from companies even after the stimulus fund was distributed.

ECRL conducted interviews with RMG insiders and researchers which brought about some factors which need to be considered:

- Factories faced challenges during the pandemic and only a certain portion of the requirement had been fulfilled using the Stimulus fund.
- The insiders revealed that more low-interest funds should be provided to the companies to recover from the impact.
- Customized incentive package for product diversification to increase competitive advantage.
- Employee incentive to support the affected workers.
- Reduction in road transportation & logistics rigidity, tax rate, etc could help to reduce the time of supply.
- Reduction in loading & unloading costs for factories to increase efficiency is required.

4. External Sector Update

Export earnings and import payments were postponed during the nationwide shutdown period imposed by the government due to the Covid-19 pandemic in FY2020. Thus, there were inconsistencies in the growth of export and import data, as indicated by the slump in Q4 (March-June) of FY2020. From July onwards, restrictions regarding import and export were reduced, thereby resulting in both exports and imports climbing back in Q1 (July-September) of FY2021. The graph illustrates the growth of exports compared to the amount achieved in the previous year's quarter, with Bangladesh's export performance improving in Q3 (January-March) of FY2021. According to the data collected from the Export Promotional Bureau (EPB), the exports witnessed an 8.74% growth during July-April, 2021, with export earnings amounting to USD 32,072.73 million during the period compared to USD USD 29,493.84 million during July-April in FY2020. Primary commodities like frozen and live fish and agricultural products (tea, fruits, vegetables, tobacco) contributed around USD 1,219.32 million, a 4.42% increase from the previous period. On the other hand, the manufactured commodities generated around USD 30,853.41 million for the period under July-April, FY2021 – an 8.92% growth from the previous period. The Ready-Made Garments (RMG) provided a significant contribution to the export performance, generating around USD 12,134.67 million from knitwear and USD 12,343.72 million from woven garments, altogether generating a 6.24% upsurge in export earnings. Furthermore, exports from jute and jute goods (yarn, twine, sacks, and bags) improved by 30.88%, generating USD 1,035.67 million from July to April in FY2021, while leather and leather goods grew by 8.56% and generated around USD 760.92 million within the same time frame.

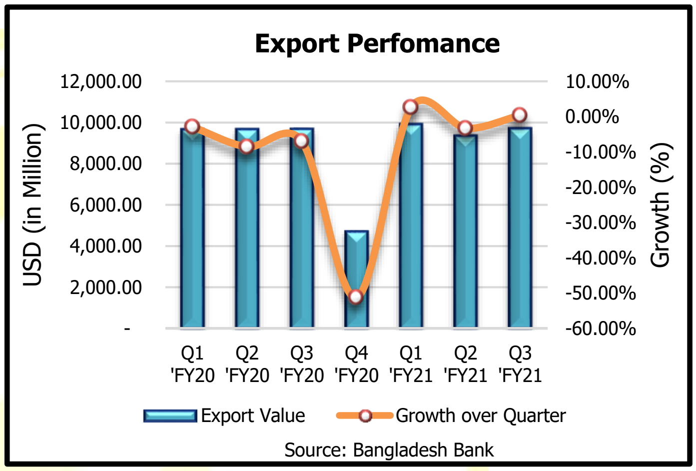


Exhibit 13: Export Performance

As previously mentioned, the coronavirus pandemic resulted in a nationwide period of shutdown in 2020, creating import restrictions, subsequently disrupting the foreign trade market. As such, the imports stood at around USD 50,691 million in FY2020, which was 8.60% lower than the previous financial year. The number of imports remained lower at almost every quarter in FY2020 and FY2021 compared to those from the quarter in the previous financial years, with soaring import prices being the primary reason. As such, imports gradually rose from Q1 of FY2021 (July-

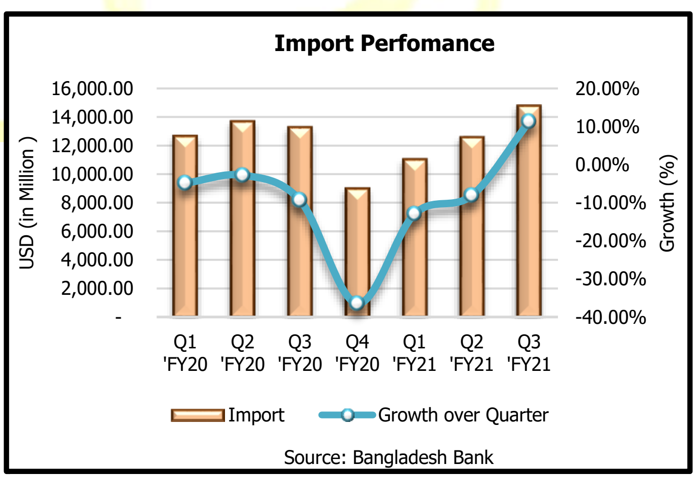
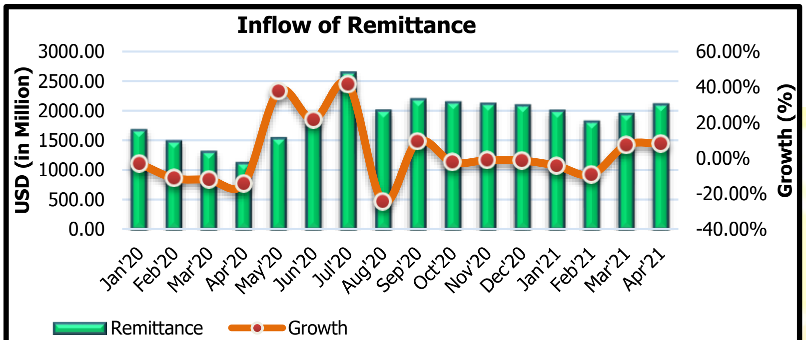


Exhibit 14: Import Performance

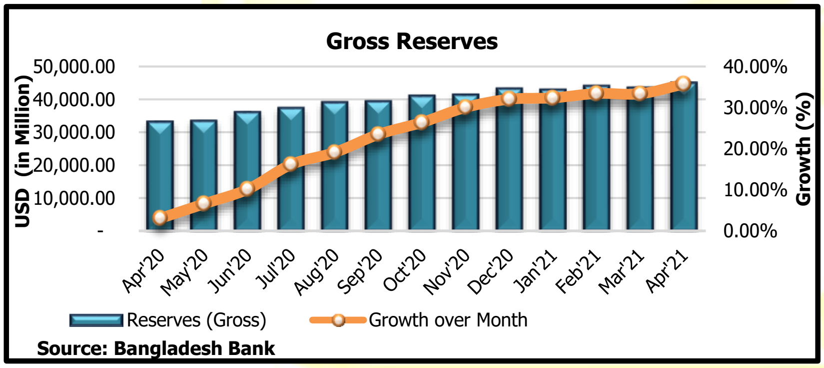
September) onwards, when restrictions were reduced and finally reached a positive growth of 11.30% in Q3 (January-March) of FY2021. Textiles and textile articles which consisted of 19.50% of the total imports rose by USD 474.30 million (21.27% increase) in Q3 of FY2021 and stood at USD 2,704.20 million. Moreover, the import of mineral products and base metals like copper, iron, and aluminum witnessed an upsurge of 21.05% and 7.88% and stood at USD 2.036.20 million and USD 1,036.20 million respectively. Additionally, machinery and electrical imports rose by USD 245.80 million compared to the previous quarter, thereby registering around USD 1,894.80 million in imports. Apart from these, around USD 1,718.90 million in food grains and vegetable products was imported in Q3 of FY2021 – a 34.72% improvement from Q2 in FY2021- primarily from a surge in wheat imports. On the other hand, imports by the Export Processing Zones improved slightly, with approximately USD 871.20 million imported in Q3 of FY2021.



Source: Bangladesh Bank

Exhibit 15: Remittance Inflow

The injection of remittances into the country during July-April of FY2021 increased by 39.08% and stood at USD21031.11 million against USD15121.09 million during July-April of FY20. The upsurge in remittance witnessed during March and April 2021 was primarily due to the Eid-ul-Fitr festival – one of the biggest occasions celebrated by Muslims. Furthermore, the coming Eid-ul-Azha festival can inject further remittances. Moreover, the cash incentive of 2% on remittance earning played a vital role behind the increase, along with the development of sending remittances in proper channels with distinctive strong strategies.



Source: Bangladesh Bank

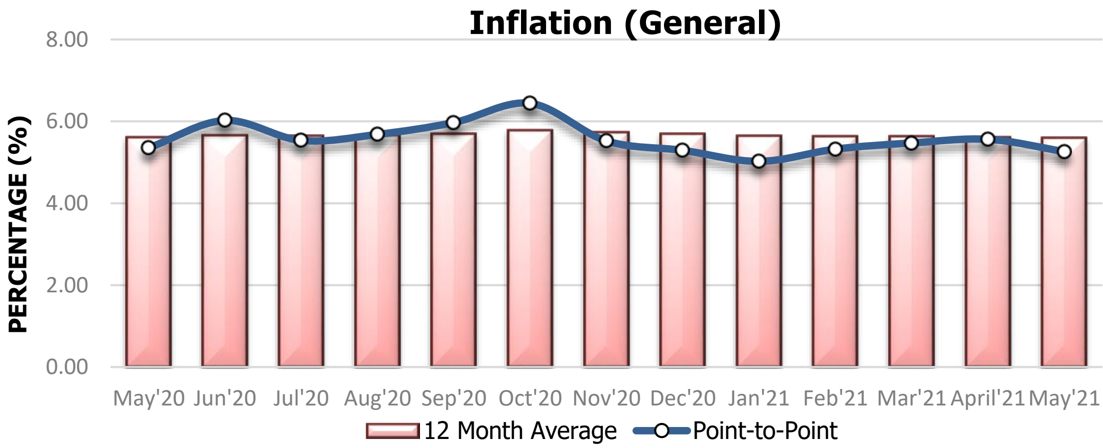
Exhibit 16: Gross Reserves

The healthy inflow of remittances enabled the gross foreign exchange reserves of Bangladesh Bank to increase and stand at USD 44,950.42 million as of April FY2021, a 35.76% upsurge from April FY2020 (USD 33,111.10 million). Forthcoming Eid-ul-Azha into the country will boost the reserves even further.

5. Inflation Scenario

The inflation rates based on twelve months' moving average remained almost the same at 5.63% as compared to the previous month, whereas the point-to-point inflation witnessed a slight increase to 5.47%. The cost of food increased due to the limited availability, resulting in the inflation for food to increase for both the twelve months' average and the point-to-point one. Non-food inflation only slightly increased on a point-to-point basis, whereas there was a decline in the twelve months' average rate of inflation.

Exhibit 17: Inflation



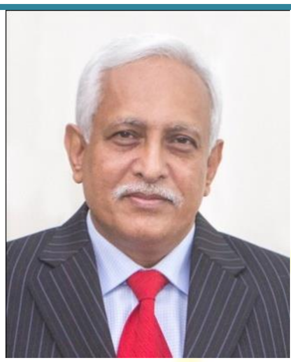
Source: Bangladesh Bank

Exhibit 18: Food & Non-Food Inflation

Month	National					
	General		Food		Non-Food	
	Point -to-Point	12- Month Average	Point -to- Point	12- Month Average	Point -to- Point	12- Month Average
May'20	5.35	5.61	5.09	5.43	5.75	5.89
Jun'20	6.02	5.65	6.54	5.52	5.22	5.85
Jul'20	5.53	5.64	5.70	5.54	5.28	5.79
Aug'20	5.68	5.65	6.08	5.61	5.05	5.72
Sep'20	5.97	5.69	6.50	5.71	5.12	5.66
Oct'20	6.44	5.77	7.34	5.87	5.00	5.62
Nov'20	5.52	5.73	5.73	5.82	5.19	5.59
Dec'20	5.29	5.69	5.34	5.77	5.21	5.56
Jan'21	5.02	5.64	5.23	5.78	4.69	5.43
Feb'21	5.32	5.63	5.42	5.82	5.17	5.34
Mar'21	5.47	5.63	5.51	5.87	5.39	5.26
April'21	5.56	5.60	5.57	5.84	5.55	5.84
May'21	5.26	5.59	4.87	5.82	5.86	5.82

Source: Bangladesh Bank

Authors' Profile



Mr. N K A Mobin, FCA, FCS, CFC
Managing Director & CEO

Mr. N K A Mobin is a veteran businessman and skilled in a broad range of trade ventures. He is one of the 4 sponsor Directors of the Emerging Credit Rating Ltd, the eminent credit rating agency in Bangladesh. Mr. Mobin has completed his Bachelor of Business Administration & Masters of Business Administration from University of Dhaka majoring in Finance with first class result. He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) & Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) since 1992 & since 1998, respectively. He is also a Member of Institute of Financial Consultants (IFC) of USA since 2002.

Mr. Mobin has working experience of more than 34 years in different corporate arena like financial management system including the budgeting and reporting system, Tax management and optimization in tax expenses, involved in different projects cost optimization/efficiency and revenue maximization areas, etc. He has been Director Projects & Administration and Director Finance and Company Secretary in Grameenphone Ltd. (GP). He has also been the Director Finance and Company Secretary in Novartis (Bangladesh) Limited. He has been the Board Members of:

- Dhaka Chamber of Commerce and Industry (DCCI) – Appointed as one of the Board members for 2020-2022 and also Senior Vice President for 2020.
- Institute of Chartered Accountants of Bangladesh (ICAB)– Elected Council member for 2019-21 and Ex Vice President (Education and Examination) for 2019.
- Biman Bangladesh Airlines Limited – Govt appointed Board Member since April 2016.
- Shasha Denims Ltd. – Appointed as Independent Board Member in 2017 for next 3 years.

Mr. Arifur Rahman, ACA, FCCA
Director & COO

Mr. Arifur Rahman is a dynamic professional representing the Emerging Credit Rating Limited as the Director and Chief Operating Officer, the distinguished credit rating agency in Bangladesh. He has completed his B.Sc. (Hons) in Civil Engineering with first class result from Bangladesh University of Engineering & Technology (BUET) and also completed BSc (Hons) achieving higher second class honors (2:1) in Applied Accounting from Oxford Brookes University.

Mr. Rahman has 21 years of expertise in the various sectors like Civil Engineering, Auditing, Financial Consultancy, Feasibility Studies, and Tax Advisory and Planning etc. He is actively involved in taking charge of the technical and organizational interests and advising the company in articulating current business strategies as well as future growth potentials. He is responsible to administer different departments and plays an important role in taking the managerial and operational decisions of the organization. Mr. Rahman is also the Fellow Member of the Association of Chartered Certified Accountant.

Mr. Saami Alam
Chief Rating Officer

Mr. Saami Alam is a dedicated and enthusiastic professional holding the position of the Chief Rating Officer in Emerging Credit Rating Limited since 2018 having work experience of more than nine years. He joined ECRL in the year 2011 and has been actively involved in strategic and management decision-making.

Mr. Alam completed his Bachelor of Business Administration and Masters of Business Administration from North South University majoring in Finance. Along with supervising the credit rating reports, he is co-coordinating different industry analysis, feasibility studies, and other projects. He is involved in preparing and presenting financial and economic models for management, board of directors, investors and lenders. He is responsible to supervising overall operational management, co-ordinate and control the department work process to meet common target and evaluating performances of the team members. He is a member of Internal Rating Committee in ECRL.

Ms. Zenith Matin, ACCA
Deputy Chief Rating Officer

Ms. Zenith Matin completed ACCA (Association of Certified Chartered Accountants) and BSc in Applied Accounting from Oxford Brookes University, UK. She completed her Master of Business Administration majoring in Finance from Independent University, Bangladesh.

Ms. Matin joined ECRL in the year 2011 and is holding the position of the Deputy Chief Rating Officer in Emerging Credit Rating Limited since 2018. She has working experience of more than nine years in the related field. She is responsible to supervise and co-ordinate different projects which involve preparation of financial and economic models. She is a member of Internal Rating Committee in ECRL and co-ordinate and control the department work process to meet common target. She is also involved in the performance evaluation of the team members.

Mr. Rajiur Rahman, ACCA
Portfolio Manager

Mr. Rajiur Rahman completed ACCA (Association of Certified Chartered Accountants) and BSc in Applied Accounting from Oxford Brookes University, UK. Mr. Rahman joined ECRL in the year 2012 and is holding the position of the Portfolio Manager in Emerging Credit Rating Limited since 2020 having working experience of more than eight years.

He is responsible to supervise and coordinate different projects, NBFI and Bank Rating which involve preparation and analysis of financial models, co-ordinate and control the department work process to meet common target and is also involved in planning of operational strategy. He is a member of Internal Rating Committee in ECRL and is also involved in the performance assessment and evaluation of the team members.

Mr. Md. Harun Chowdhury
Assistant Portfolio Manager

Mr. Md. Harun Chowdhury completed Bachelor of Business Administration major in Finance from Dhaka University. Mr. Chowdhury joined ECRL in the year 2013 and is holding the position of the Assistant Portfolio Manager in Emerging Credit Rating Limited since 2020. He has working experience of more than seven years in related field.

He is responsible to supervise and coordinate different projects, NBFI and Bank Rating which involve preparation and analysis of financial models, co-ordinate training and setting strategies for meeting operational goals of the department work process to meet common target. He is a member of Internal Rating Committee in ECRL and is also involved in the performance assessment and evaluation of the team members.

Mr. Subrata Howlader
Financial Analyst

Mr. Subrata Howlader working as a Financial Analyst at ECRL with more than 5 years of work experience on different projects, financial reporting, and credit rating assessments. He joined ECRL in the year 2015 and had been holding the position of Financial Analyst since 2018.

Mr. Howlader completed his Bachelor of Business Administration (BBA) major in Management National University and Master of Business Administration majoring in Finance & Banking from IBA Jahangirnagar University. He is currently engaged in projects related to industrial research, financial & project feasibility analysis which involve analyzing assorted industry data both primary & secondary, and preparation of financial and economic research. He is also responsible to prepare and analyze different research-based projects. He is a member of the Internal Rating Committee in ECRL.

Ms. Nabihatul Afrooz
Financial Analyst

Ms. Nabihatul Afrooz completed her Master of Science in Economics from City University London, UK and Bachelor of Business Administration major in Finance & Economics from East West University. She has working experience of more than four years on different projects, financial reporting and credit rating assessments.

Ms. Afrooz joined ECRL in the year 2016 and had been holding the position of Financial Analyst since 2020. She is engaged in different tasks, meeting common target or completing special project assigned by the management and writing reports which involve analyzing assorted industry data (both primary & secondary) and preparation of financial and economic research. She is also responsible to prepare and analyze different research based projects, survey questionnaire, data management, etc.

Mr. S.M.Siamur Rahman
Financial Analyst

S. M. Siamur Rahman has finished his Bachelor of Business Administration (BBA) major in Finance from North South University (NSU).

He joined ECRL in 2021 and collaborated with credit rating corporate clientele as well as research teams in the preparation and analysis of various industries. He enjoys working with financial data while having academic knowledge of financial planning, analysis and projection for companies and corporation.

About ECRL

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinion in various industry segments around Bangladesh. ECRL obtained credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996 and also received Bangladesh Bank Recognition as an External Credit Assessment Institutions (ECAI) in October 2010 to do the rating of Banks, Financial Institutions and their borrowers and also from Insurance Development & Regulatory Authority (IDRA) in 2015 to do the rating of Insurance Companies & affiliated with Malaysian Rating Corporation Berhard.

Emerging Credit Rating Limited's team is oriented towards the continuous improvement of processes, striving for an important role in the leadership of the business world. Every individual in ECRL is committed to providing topmost ingenious Credit Rating Services and Comprehensive Research Services in Bangladesh. ECRL's rating services and solutions reflect independence, professional, transparency and impartial opinions, which assist businesses in enhancing the quality of their decisions and helping issuers access a broader investor base and even smaller known companies approach the money and capital markets. The Credit Rating process is an informed, well-researched and intended opinion of rating agencies on the creditworthiness of issuers or issues in terms of their/ its ability and willingness of discharging its financial obligations in a timely manner. Issuers, lenders, fixed-income investors use these risk assessments for the purpose of lending to or investment in a corporation (such as a financial institution, an insurance company, a non-banking corporation or a corporate entity) as well as evaluating the risk of default of an organization's financial obligations in terms of loan or debt.

Editorial Overview

ECRL Research *provides insights, opinions and analysis on Bangladesh and International Economies. ECRL Research conducts surveys and produces working papers and reports on Bangladesh's different socio economic issues, industries and capital market. It also provides training programs to professionals from financial and economic sectors on a wide array of technical issues.*

Dr. Jamaluddin Ahmed
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Chairman

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MD and CEO

Arifur Rahman
ACA, FCCA
Director & COO

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