

The background of the slide is a dark blue and black image featuring a blurred financial candlestick chart. Overlaid on this are several large, semi-transparent geometric shapes: a large orange chevron pointing down and to the right, a smaller orange chevron pointing up and to the right, and a red chevron pointing up and to the right. A grid of dashed lines is also visible in the background.

Monthly December 2021

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A portrait of a middle-aged man with white hair and a mustache, wearing a dark pinstripe suit, a light blue checkered shirt, and a red tie. He is looking directly at the camera with a neutral expression. The background is plain white.

The Institute of Chartered Accountants of Bangladesh (ICAB) elected our honorable **Managing Director & CEO of Emerging Credit Rating Ltd, Mr. N.K.A. Mobin FCA, FCS, CFC**, as one of its **Councilor**.


ACCA Bangladesh presents


THE BUSINESS STANDARD

Virtual Launching Ceremony of ACCA Careers and ACCA Navigator

with a Roundtable Discussion on the Future of Accounting & Finance Profession



Chief Guest
Dr. Md. Hamid Ullah Bhuiyan
 Chairman, Financial Reporting Council (FRC), Bangladesh

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Time: Thursday, 9 December 2021 at 5:30 PM

Think Ahead

Chief Operating Officer (COO) and Director of Emerging Credit Rating Ltd, Mr. Arifur Rahman, participated in a **“Virtual Launching Ceremony of ACCA Careers and ACCA Navigator** with a Roundtable Discussion on the **Future of Accounting & Finance Profession”** held on December 09, 2021.

1. Shrimp Industry Overview

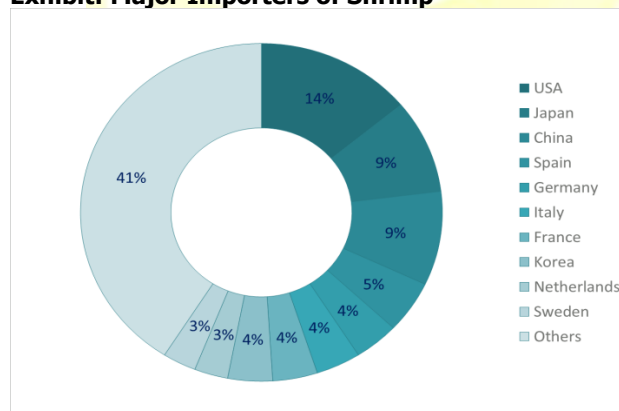
1.1 Industry at a Glance

- 🚧 **Area of Production:** Around 258 thousand hectares in 2020
- 🚧 **Number of commercial registered farm (Fish and shrimp):** 216,651 (Approximately) in 2020
- 🚧 **Export volume of shrimp in 2019-2020:** 30,036.18 MT
- 🚧 **Annual Production Capacity:** 4 lakh tons
- 🚧 **Regular shrimp cultivation yields:** 300-400 kilograms per hectare
- 🚧 **People directly or indirectly engaged in the industry:** Around 6.00 million
- 🚧 The frozen fish industry currently gets **7.0 -10 per cent cash incentives** on shrimp exports
- 🚧 A total of **105 shrimp processing plants** are licensed of which **73 are approved for exporting** their products to the EU countries
- 🚧 **47 of 105 export oriented factories** remain operational

Source: Department of Fisheries, Ministry of Fisheries and Livestock; Source: Bangladesh Frozen Foods Exporters Association; Bangladesh Economic Review-2021

Fish and fisheries are one of the prime items in Bangladesh's agricultural products. About 12%, which is about 17 million of the total population are dependent on the fishing industry. Shrimp is the biggest contributor to the fisheries of Bangladesh. Shrimp is one of the major exported items of Bangladesh and makes up about 70% of the total agricultural exports. That is why shrimp is usually referred to as "White Gold" in Bangladesh. Total shrimp and prawn production including capture has been increased from 1.60 lakh MT in 2002-03 to 2.41 lakh MT in 2019-20 and its growth rate is 0.59%. Coastal aquaculture, both shrimp and prawn and finfish farming are expanding, and total shrimp and prawn production have been increased over the last 18 years. Fish and fisheries products contribute 1.39 percent to total export earnings mainly by different species of shrimp like Galda, Bagda, Harina and other some other species of shrimp. Bangladeshi fish and fishery products are exported to more than 50 countries including European Union (EU), USA, Japan, Russia, China etc. EU countries are the major importers of Bangladeshi fish and fishery products.

Exhibit: Major Importers of Shrimp



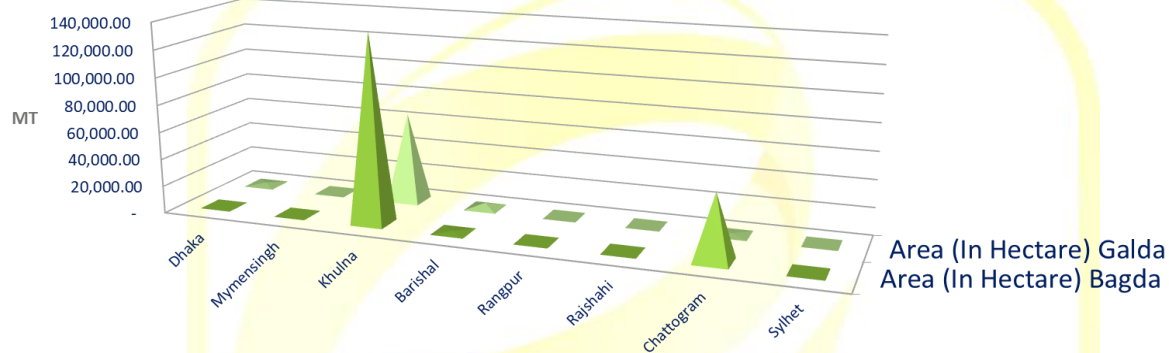
Source: The State of World Fisheries and Aquaculture 2020, FAO

1.2 Division Wise Production of Shrimp

Although 95% hatcheries are located in the south-eastern districts of Khulna, Bagerhat & Satkhira, but now a days the shrimp processing industry is also growing in Chittagong and Dhaka. Approximately, a

volume of more than 257,000 hectares is being used for the purpose of farming shrimp in Bangladesh. Shrimp farming in Bangladesh is done using traditional low-density methods like extensive or semi-intensive culture. Brackish and freshwater areas are suitable for sustainable shrimp farming in Bangladesh. Seasonal water-covered areas like haor and non-haor (local name) are also suitable for freshwater shrimp farming. Shrimp cultivation areas spread over 8 divisions; Dhaka, Mymensingh, Khulna, Barishal, Sylhet, Rajshahi, Rangpur, and Chattogram. The coastline divisions are Khulna, Chattogram and Barishal where the production rate is significantly higher than other divisions. Division wise culture area for two different species: Bagda and Galda. In the year of 2019-2020 total shrimp production in these divisions; Khulna, Chattogram, and Barishal were 87.16% (111,215.00 MT), 10.29% (13,132.30 MT) and 2.15% (2,749.00 MT) respectively, while the prior year of 2018-2019 total shrimp production in these divisions; Khulna, Chattogram, and Barishal were 84.80% (106,096.33 MT), 11.66% (14,593.23 MT) and 2.86% (3,578.65 MT) respectively. Graphical statistics showed that in Khulna and Chattogram brackish water shrimp; Bagda production was higher than freshwater shrimp. Other species of shrimp/prawn also mostly produced in the Khulna, Chattogram, and Barishal.

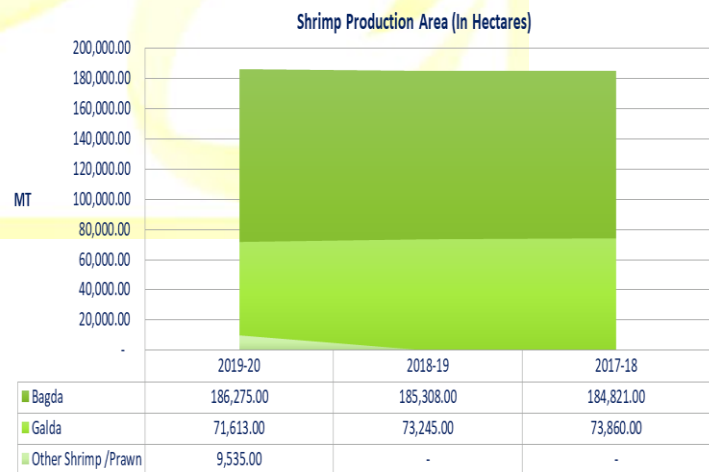
Exhibit: Division Wise Production Area of Shrimp



Sources: Yearbook of Fisheries Statistics of Bangladesh 2019-2020

Shrimp farming of Bangladesh face various challenges like over-catching and resources degradation. Different factors are responsible for shrimp resources degradation such as house or roads construction, improper drainage, natural calamities, using of fertilizers or pesticides, environment pollution etc. As a result the water areas, previously rich in shrimp, now became scanty. According to the data of Yearbook of Fisheries Statistics of Bangladesh 2019-2020 production area of shrimp is gradually decreasing over the years and in the year of 2019-20 total production area of shrimp was recorded at 257,888 hectares whereas in the prior year it was 258,533 hectares. A graphical representation with statistics of species wise production area of shrimp over the last three years had been displayed.

Exhibit: Year wise Production Area of Shrimp



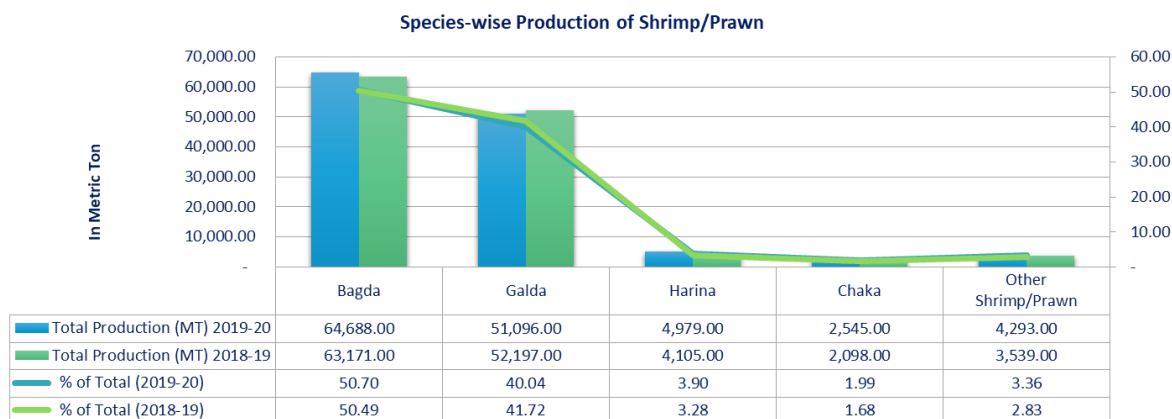
According to data found in the Yearbook of Fisheries Statistics of Bangladesh, emphasis was also given to maintain quality standards in all stages of fish and shrimp production, processing and export with strong monitoring by the Competent Authority (CA). With the govt. intervention, total shrimp and prawn production including capture has been increased from 1.00 lakh MT in 2002-03 to 2.70 lakh MT in 2019-20. According to the Bangladesh Ministry of Fisheries and Livestock, Bangladesh earned about BDT 348 million US dollars by exporting 30,000 metric tons of shrimp in the fiscal year 2019-20 which was about BDT 365.44 million in the fiscal year 2018-19. Shrimp production from 2016 to 2020 statistics has shown an upwards trends. Overall growth performance of total shrimp production in 2019-2020 from inland aquaculture shows a moderately increased trend by 4.65%. In the year 2021 total shrimp production was projected at 2.71 lakh metric tons.

Exhibit: Shrimp Production Trends in Different Years**(In lakh metric tons)**

Factors	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021**
Shrimp / Prawn	2.40	2.47	2.54	2.58	2.70	2.71

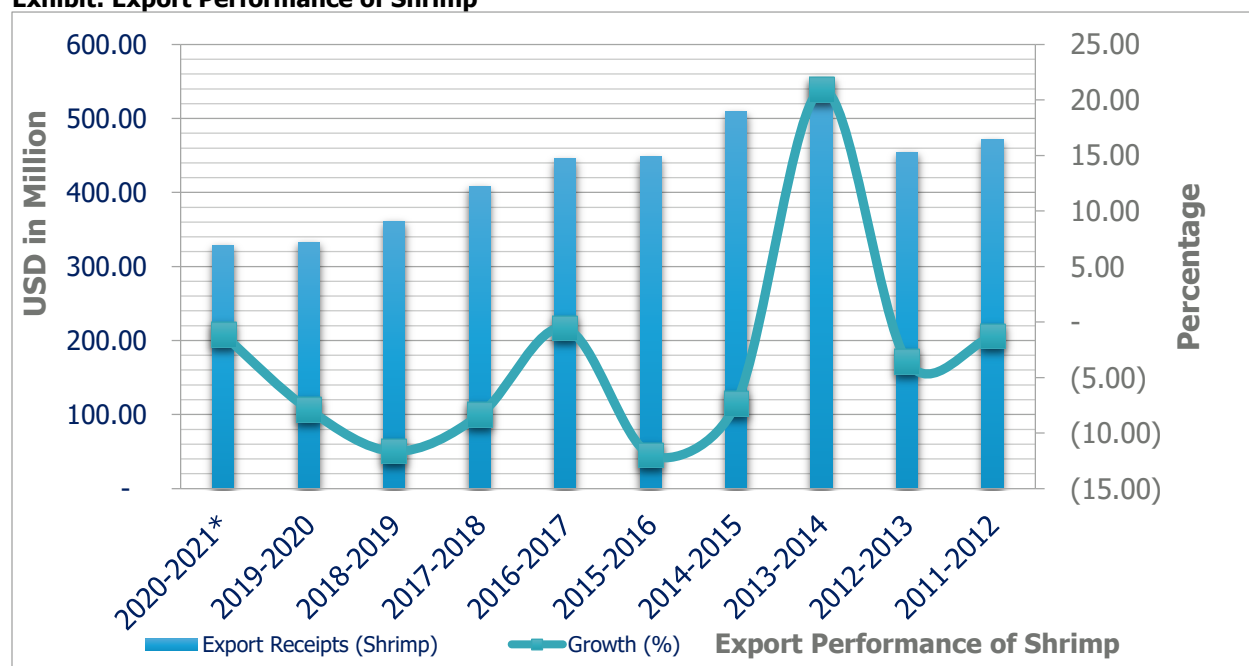
Source: Bangladesh Economic Review-2021; **2020-2021 projected data

Different species of shrimps are cultivated in the country among which Bagda and Galda are two common species of shrimp available in the country. A total of 56 species of shrimp has been found in Bangladesh out of which 37 are sea water shrimps, 12 are brackish water shrimps and 7 of the species reside in freshwater. Big and small shrimp produced from key inland areas in Bangladesh (river, culture farm and flood plain). Big shrimp includes 4 different species: Bagda, Galda, Harina, and Chaka and small shrimp includes: Guraicha, Godachingri.

Exhibit: Species Wise Production of Shrimp

Sources: Yearbook of Fisheries Statistics of Bangladesh 2019-2020

Shrimp exports quantity has been decreasing from last few consecutive years 2011 to 2020 except in 2014 with the face of continual low demand in the global market for the Bangladeshi farmed shrimp. Whiteleg shrimp is dominating the world market because of its low prices compared to Black tiger and Giant freshwater prawn. Most of the Asian countries and some Latin American countries are farming Whiteleg shrimp. Bangladesh is falling behind in this competition of Whiteleg shrimp farming. Whiteleg shrimp is sold USD 2- USD 2.5 less than the prices of Black tiger per pound in the global market (Source: Bangladesh Frozen Foods Exporters Association news portal). The graphical statistics of the last 9 years indicate that, the export value decreases by 7.89% in the year 2019-20 compare to prior year with a little fluctuation.

Exhibit: Export Performance of Shrimp

Sources: EPB; *2020-2021 provisional data

In the fiscal year 2011 Bangladesh exports about USD 477.83 million worth of shrimp products and fiscal year 2014 it was on peak USD 550.16 million. The total export value decreased to USD 332.65 million in the 2020 fiscal year due to the tremendous decline of export quantity. In the fiscal year 2019-20, Bangladesh earned BDT 3,442.80 crore by exporting 75,171.31 MT fish and fishery products. This represents 1.30% of the country's total export earnings. Shrimp contributed to 77.84% of the total fishery export earnings and comprised 52.32% of the total quantity of fish exports.

Exhibit: Export Receipts of Bangladesh from Fisheries Sector

	(Tk. in crore)		
Particulars	2017-2018	2018-2019	2019-2020
Shrimps and Prawns	3,526.70	2,924.30	2,679.90
Fish all sorts	561.00	632.00	762.90
Fish, Shrimps and Prawns (Total)	4,087.70	3,556.30	3,442.80
Fishery exports value as % of total export value	1.53%	1.20%	1.30%
Share of shrimp in fishery exports (%)	86.28%	82.23%	77.84%

Source: Bangladesh Bank export data

In 2020, India exported about 6 lakh metric tons of shrimp, which is more than Bangladesh. On the other hand, Vietnam exported about 4 billion worth of shrimp in 2020, while Bangladesh's export income in 2020 was only USD 332.65 million. While the amount of shrimp exports from other countries is constantly increasing, Bangladesh is lagging behind from the major competitors. The overall shipment value of frozen fish also declined to around USD 500.40 million in FY2019 from USD 507.84 million in 2018. Bangladesh's frozen shrimp processing industry is struggling to survive as factories are closing down one after another due to a lack of raw materials, competition with cheaper white-leg shrimp 'Vannamei' in the export markets and inadequate government support, according to the information of Bangladesh Frozen Foods Exporters Association (BFFEA). The following figure shows the export target of shrimp and actual export receipts from shrimp in the last ten years.

Exhibit: Export Deficit/(Surplus) Of Shrimp



Source: EPB; *2020-2021 provisional data

1.3 Impact of Covid-19 on Shrimp Industry

The pandemic has taken a toll on the export-oriented shrimp aquaculture in the southwestern part of the country because of the disrupted supply chain and a fall in demand and price, impacting the livelihoods of 85% of people of southwestern region of the country dependent on the sector. The price of shrimp has gone down significantly during the countrywide lockdown period. Major impacts of Covid-19 on shrimps industry are as follows:

- Potential decreases in demand and price of shrimp
- Increased price of shrimp farming products; feed, farm appliances, fertilizers and chemicals which is being imported from overseas
- Limited international and national movements have translated into input shortages and increased production costs
- A reduction in gross profit of shrimp farmers
- Shrimp farms have reduced workers due to outbreak of COVID-19
- A total of 290 export orders of frozen fish worth of BDT 4,600.00 million had been canceled during the year of 2020, according to BFFEA

1.4 Problems of Bangladesh's Shrimp Industry



Negative Perception of Fish Quality

Bangladesh's shrimp export volume has been plummeting over the last few years. One main reason behind such shrinking export is consignments with adulterated shrimps that were detected by importers abroad. There have been allegations of injecting jelly, gum, water, rice starch, and other substances into black tiger shrimps, which comprise 71.4% of the country's total shrimp export to boost their weight and make them appear healthier. This taints the image of Bangladesh and might have a knock-on effect on the export of other fish, which may further reduce export in overseas markets.

Wild-Caught Brood Stock

Hatcheries still rely on wild shrimp from rivers, canals and seas to procure larvae used for shrimp farming in Bangladesh. These naturally collected shrimps are often infected by various viruses. As a result, the infections are also found in shrimp lings, which also affect the growth and health of shrimp.

Lack of Technology

Although shrimp is cultivated in about 258,000 hectares of land along the coast of Bangladesh, shrimp production is quite low in proportion to the land. The shrimp production per hectare is only 300-400 kg. Hatcheries in Bangladesh are used in the old Extensive method or gher system instead of following the modern Intensive or Semi-Intensive method like the top countries in shrimp production. Intensive and Semi-Intensive methods, Extensive methods can produce several times more shrimp per year. However, the cost is much higher due to the use of skilled manpower and advanced technology in the Intensive and Semi-Intensive methods as compared to the Extensive method. As a result, many hatcheries in Bangladesh have not yet adopted this advanced technology. Besides, there is no integrated cold chain management system in Bangladesh for shrimp export. As a result, a lot of freshness and quality is lost in the transportation of shrimp during export. As a result, Bangladesh's shrimp reputation in the world market is declining.

Poor Logistic

Most of the hatcheries in Bangladesh are located towards Khulna, Bagerhat and Satkhira in the southeastern part of the country. However, the post larvae of the shrimp farmed are mainly produced in the hatcheries located in Cox's Bazar. The produced post larvae are used only by road and air transport to reach the farming hatcheries from there. Most of the shrimp farmers in Bangladesh cannot afford to use air transport. In order to avoid additional costs, farmers prefer road transportation. As a result, 28 to 30% of post larvae die during transport due to water scarcity and transport problems. On the other hand, the surviving larvae become quite weak, which also reduces the production of shrimp.

Low Yielding Species

Among the shrimps produced in Bangladesh, Giant Tiger Shrimp and Giant freshwater prawn are the main export items. The price of these two varieties of shrimp has been fixed much higher than other varieties of shrimp. Local exporters sell shrimp for about 9 USD per pound. Competing countries, on the

other hand, produce Vannamei shrimp, which sell for just 2 to 2.5 USD per pound. Countries like Ecuador, Argentina, Thailand, Vietnam, and India are producing more and more Vannamei shrimps. On the other hand, hatcheries in the country could not produce this species of shrimp due to the ban imposed by the Bangladesh government. As a result, the production and export of these countries have increased. As a result, to survive in the competition, Bangladesh is currently exporting shrimp at around 8 USD per pound. However, in 2020, the government has allowed a limited number of hatcheries to cultivate this high-yielding species of shrimp. Some around 66 countries are farming Vannamei variety of shrimp and the price of Vannamei variety is less than that of the shrimp produced in Bangladesh for which the shrimp industry is lagging behind from other countries.

Natural Calamities

The west coast of Bangladesh is a thriving place for shrimp farmers. Two-thirds of Bangladesh is less than five meters in above sea level, particularly in the Bay of Bengal where shrimp cultivation is wide spread. For this reason, shrimp farms in Bangladesh are extremely vulnerable to climate change. Cyclone like Sidr, Amphan has destroyed a large number of shrimp project in last few years is another major threats for the prospects of the industry.

1.5 Way Forward

Mass level of the stakeholders need institutional and industry related education immediately. Activities like training programs, seminars and trade-fair are still in the initial level and done on small project base. Industry wise expansion of these kinds of activities should be taken into account immediately.

Problems including high mortality rate, lack of virus screening facility and the unfair practices should be taken into account for the both operative and strategic level immediately. Enforcement of food safety outside the government should be explored. To solve these problems and to increase efficiency in this sector (i.e. shrimp exporting) in foreign markets, the following suggestions and recommendations should be adapted:

- ✚ Bangladesh should not try to increase the export price of shrimps because it may in turn lessen the export of them. Farmers should try to produce shrimp and dry fishes at lower cost. Therefore, emphasis should be given on production and exports of quality shrimp.
- ✚ Comprehensive buffer stock scheme by the government with a view to stabilizing prices may, therefore, be attempted. Price support program should be ensured through effective policy measures.
- ✚ Strong and committed endeavors are essential for market survey and market promotion for increasing the volume of export of shrimp. For this, it is necessary for the government to come forward and organize international market promotion facilities on a regular basis.
- ✚ Government can establish a specific zone for shrimp farming with registration number of each gher and provide necessary facilities to those farms. Thus traceability can be ensured also. Government should also ensure the continuous electricity supply in shrimp processing industries.
- ✚ Shrimp processing industries or shrimp producer some time face lots of risk like disease problems, raising price of shrimp feed, natural calamities, falling of shrimp price etc. So Government should share the risk with them to ensure the productivity of shrimp industry.
- ✚ The exporter of Bangladesh can create a brand emphasizing on organic quality of their shrimp which can ensure higher price for those branded shrimp.
- ✚ Shrimp transportation should be facilitated with modern facilities like insulated & refrigerated carrier van and handling of shrimp with food graded plastic basket.
- ✚ Introduction of quality certification system at all levels of the shrimp and fish based industry to ensure food safety, traceability, environmental sustainability and social responsibility is needed. Quality control measurement standard should be more developed.

- ✦ Affordable rate of interest, easy repayment schedule should be introduced for the industry related entrepreneurs.
- ✦ Vocational training centers should be established at aquaculture locations for hands-on training in aquaculture, post-harvest handling and processing.
- ✦ Laboratory should have enough facilities with modern and sophisticated, machine, instruments and methodology for testing quality parameters of exportable shrimp.



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2. Banking Sector

2.1 Introduction

Bank sector in Bangladesh comprises of sixty one scheduled banks and also five Non-Scheduled Banks which are established for special and definite objective but are not Scheduled Banks.

The performance of the sector was affected by the novel coronavirus pandemic since FY2020. To help the sector to survive in this critical situation and to continue their contribution in revamping the country's economy, Bangladesh Bank (BB) has announced a series of policies and prudential measures from the inception of the coronavirus pandemic which include reduction of advance-deposit ratio, cash reserve ratio, bar on downward classification of loan portfolio, subsidy on interest rate for stimulus loan to effected industries and many more.

ECRL conducted a study on banking sector with the objective to ascertain the requirement of the provision for loans and advances of the banking sectors. The study includes previous five years financial data average and trend has been used to restate the financial information of the year 2020.

However, the restated information would not reflect the actual need for the additional provision required for the uncertainty caused by the ongoing pandemic.

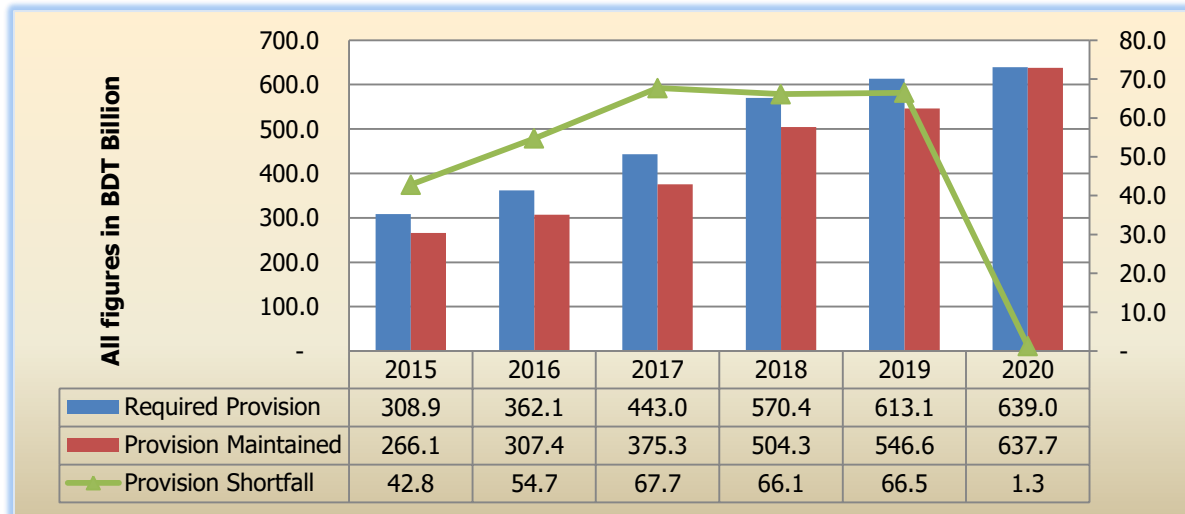


2.2 Provision for Loans and Advances and its Impact on Profit

Banks are required to account for potential loan defaults and expenses to ensure they are presenting an accurate assessment of their overall financial health. Determining the appropriate provision required for the loans and advances during the pandemic situation has become a real challenge for banks. Under the moratorium facility there are many loans with overdue but still holding "unclassified status" and provision has been maintaining as per the requirement of the unclassified loan. Considering the loophole Bangladesh Bank has issued directive to keep additional 1.00% general provision against loans, which have enjoyed deferral/ time extension facilities.

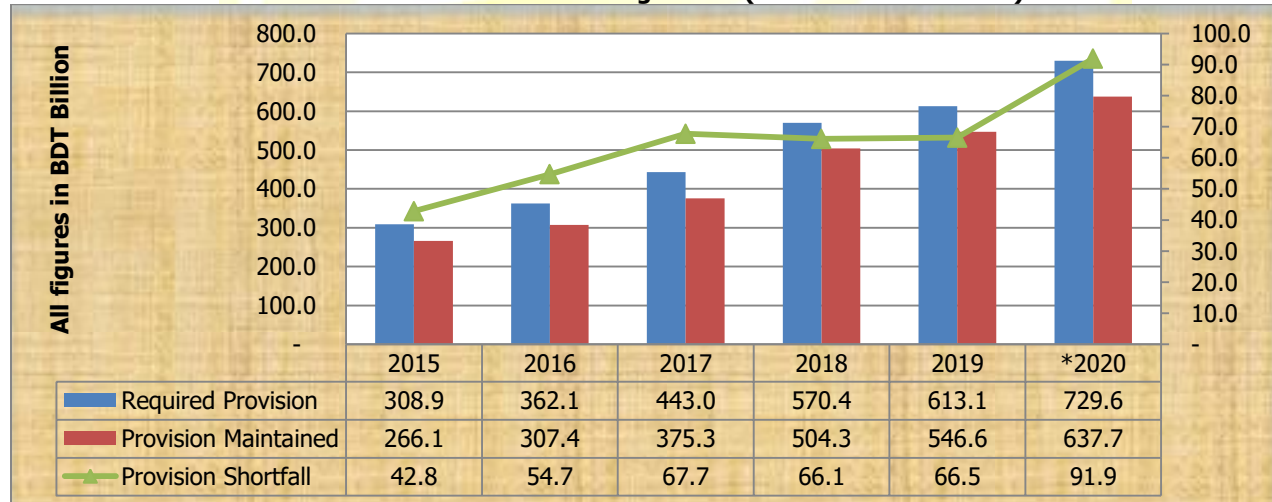
The long lasting corona virus has wedged the performance of the banking sector in many slants. The reported asset quality largely facilitated by substantial government support administrations may transpire as a key challenge in post-pandemic situation for banking sector in Bangladesh.

In FY2019 (Jan-Dec), non-performing loan (NPL) in the banking sector was 9.3% of the total loans and advances which dropped to 8.1% in FY2020 figuratively indicates improvement of the asset quality, however, extrapolating the literal scenario, the asset quality has deteriorated in the time of pandemic situation where many businesses could not operate uninterruptedly meanwhile global trade and supply chains are being intermittent repeatedly over last eighteen months. In this state, the credit worthiness of some borrowers would surely be waned and repayments to the bank finance would likely to be hindered.

Exhibit: Provision for Loans and Advances of Banking Sector

Source: Financial Stability Report issued by Bangladesh Bank

In the above graph, the banking sector's provision maintained against the loans and advances portfolio was nearly similar to the provision requirement in FY2020 as a result, the shortfall in provision was very little (BDT 1.30 billion) during that period. However, in earlier years there were always significant amount of provision shortfall as shown in the graph. The good figures in FY2020 were mostly blessed by halting of downward classification of loans directed by the central bank amidst the COVID-19 outbreak. Emerging Credit Rating Limited (ECRL) has restated few figures based on previous five years trend (FY2015-FY2019) to extend the analysis and predict the actual performance of the banking sector as a whole. The restated figures have been shown in graph below.

Exhibit: Provision for Loans and Advances of Banking Sector (FY2020 data restated)

Source: Financial Stability Report issued by Bangladesh Bank

*FY2020 data restated by ECRL based on last 5 years (2015 to 2019) average growth of required provision (Required provision and provision shortfall have been restated)

Analyzing last five years data (FY2015-FY2019), required provision for loans and advances grew by 19.0% on average, and the required level of provision would have been BDT 729.6 billion in FY2020 (figure restated taking into account the average growth rate of 19.0% from FY2019). In this scenario, the provision shortfall would have been remarkably higher (BDT 91.9 billion) which is also the highest among

last 5 years or even more. These changes would have severe impact on the profitability and ultimate performance of the sector which has been shown in the exhibit below.

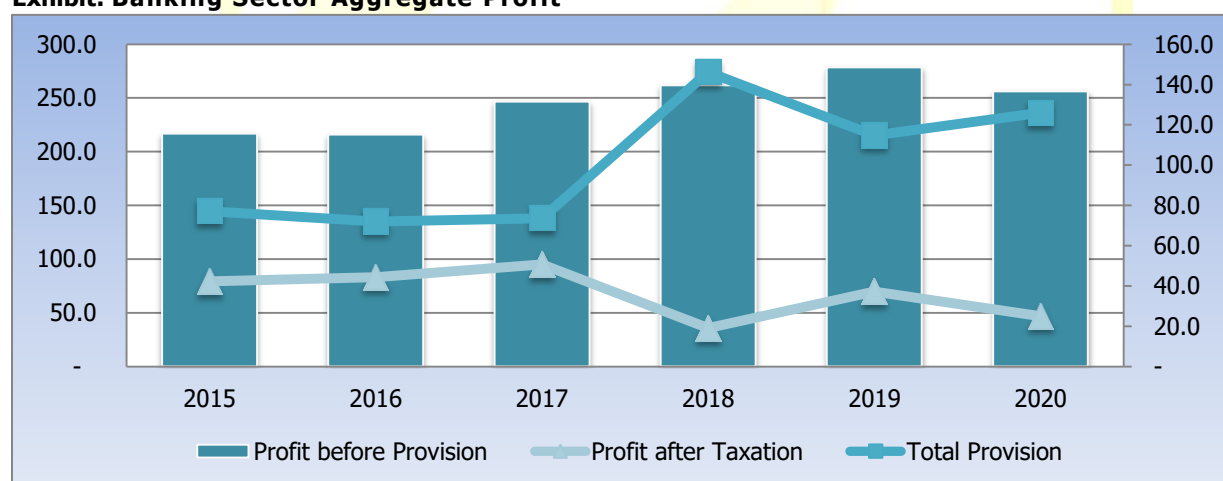
Exhibit: Banking Sector Aggregate Financial Information**Figure in BDT Billion**

Particulars	2015	2016	2017	2018	2019	2020	*2020
Net Interest Income	145.9	178.9	225.6	277.4	303.6	215.4	215.4
Non-Interest/Investment Income	279.3	283.5	292.4	279.0	299.5	373.0	373.0
Total Income	425.2	462.4	518.0	556.4	603.1	588.4	588.4
Profit before Provision	216.9	216.0	246.5	261.9	278.4	256.1	256.1
Total Provision	77.0	72.0	73.6	146.2	114.8	126.0	217.9
Profit after Taxation	79.2	83.1	95.1	35.9	69.7	46.7	(44.2)

Source: Financial Stability Report issued by Bangladesh Bank

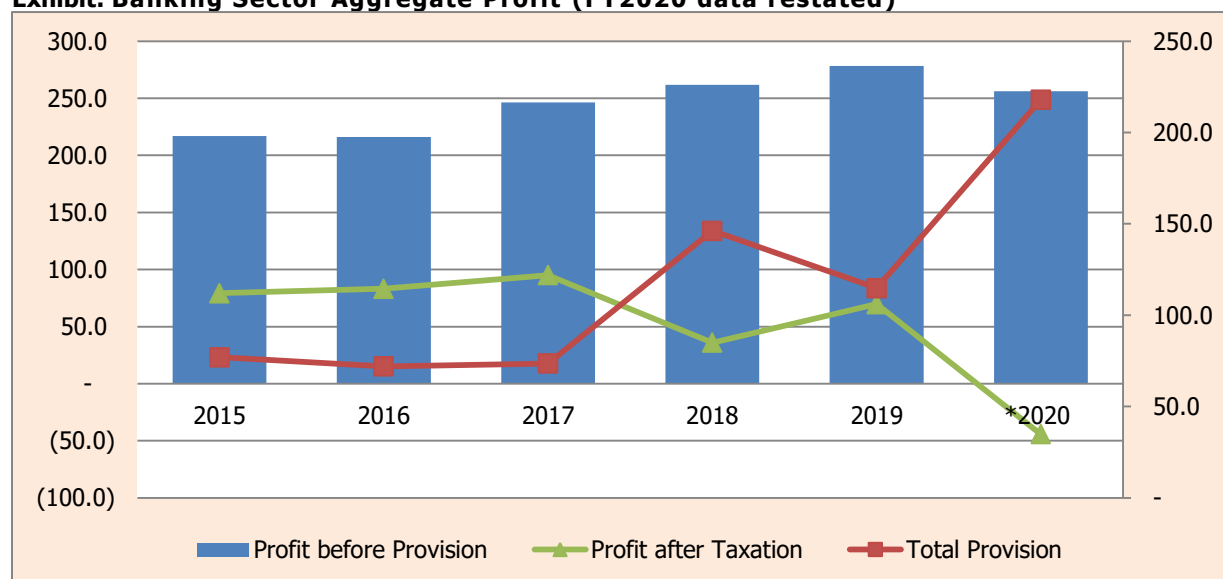
*FY2020 data restated by ECRL based on last 5 years (2015 to 2019) average growth of required provision and assuming that the required level of provision is fully provided and charged accordingly to the income statement (Total provision and Profit after Taxation have been restated)

As per the reported financial information, banking sector has seen a fall in income. Net interest income of the sector fell significantly by 29.05% as compared to 9.44% and 22.96% growth in FY2019 and FY2018 respectively primarily due to implementation of lending rate cap as well as low demand of credit caused by covid-19 pandemic. As a result, non-interest/investment income topped up notably by 24.54% in FY2020 as an alternative source of investment for the sector although the growth rate was only 7.35% in FY2019. As an overall effect, operating income of the sector dropped slightly by 2.44% in FY2020 which grew by 8.39% in FY2019.

Exhibit: Banking Sector Aggregate Profit

Source: Financial Stability Report issued by Bangladesh Bank

In FY2020, profit before provision fell by 8.01% as opposed to the growth of 6.30% in FY2019. Besides, profit after taxation dropped by 33.0% in FY2020 to BDT 46.7 billion from 69.7% in FY2019.

Exhibit: Banking Sector Aggregate Profit (FY2020 data restated)

Source: Financial Stability Report issued by Bangladesh Bank

*FY2020 data restated by ECRL based on last 5 years (2015 to 2019) average growth of required provision and assuming that the required level of provision is fully provided and charged accordingly to the income statement (Total provision and Profit after Taxation have been restated)

On the other hand, if the average growth of provision for loans and advances (19.0% in last five years) would continue in FY2020, the sector would have seen significant amount of net loss of BDT 44.2 billion as opposed to reported after tax profit of BDT 46.7 billion which is a big concern for the industry as a whole. The upcoming years will be challenging for banking sector with assumedly high NPL, sharp increase in provision and fall in profit.

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HIGHLIGHTS



Mr. N.K.A. Mobin FCA, FCS, CFC participated in the unveiling ceremony of the TAX GUIDE 2021-22 held at Dhaka Chamber of Commerce & Industry's (DCCI).

Mr. N.K.A. Mobin FCA, FCS, CFC also participated in AGM of Bangladesh Submarine Cable Company Limited (BSCCL) held on December 07, 2021.



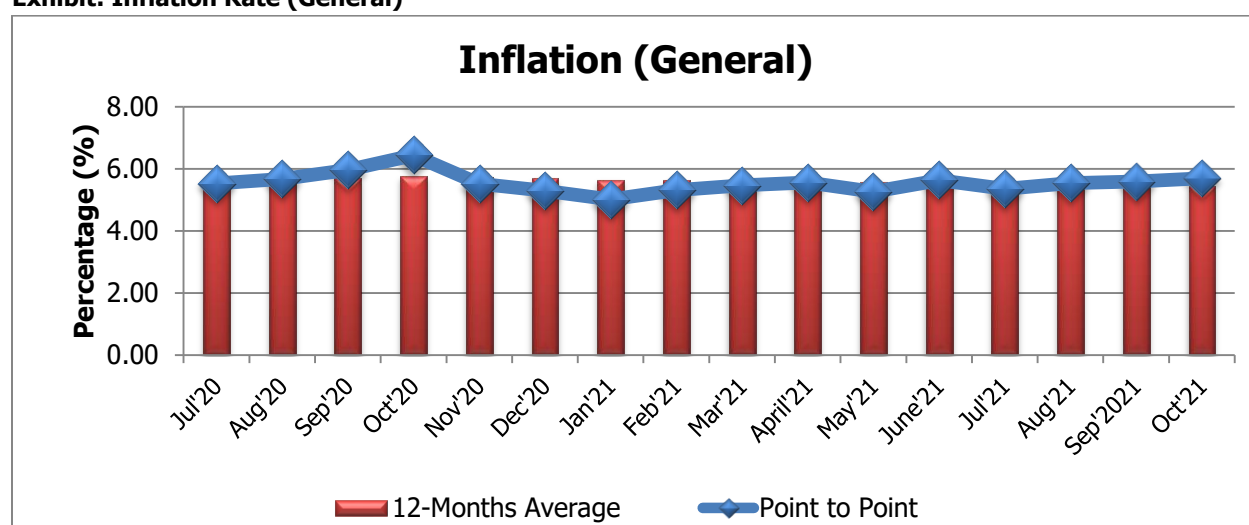
Honorable MD & CEO of ECRL, **Mr. N.K.A. Mobin FCA, FCS, CFC**, was present in the meeting with the Business Delegates from Turkey & Ambassador Mustafa Osman Turan held at the Dhaka Chamber of Commerce & Industry (DCCI) to discuss bilateral cooperation.

3. Overall Economic Outlook of Bangladesh

3.1 Inflation Rate

The inflation rate in Bangladesh has swelled to 5.70% in October 2021 from 5.59% in last month, due to up rise in the price of both food and non-food items. In line with that, food and non-food inflation increased in October 2021 compare to last year which result the point to point general inflation was surged to 5.70% in July 2021. In terms of month-on-month and moving average food inflation has declined to 5.32% at the end of October, 2021. However, there had been fluctuations in the 12-month average food and non-food inflation rates. On the other hand, month-on-month and moving average non-food inflation has increased to 5.64% at the end of July, 2021.

Exhibit: Inflation Rate (General)



In view of the ongoing Covid pandemic, food price volatility has emerged as a major concern in Bangladesh. Food inflation has increased to 5.19% in September 2021 from 5.16% in August 2021. According to the latest data by Bangladesh Bank, the price of rice, egg, flour, garlic, onion, ginger and turmeric soared in last month. In global market the price of rice, wheat, palm oil, soybean oil and sugar had increased by 27%, 42%, 83%, 64% and 26% respectively between Pre-Covid and Covid period.

Exhibit: Food, Non-Food and General Inflation Rate

	Inflation					
	General		Food		Non-Food	
	Point to Point	12-Months Average	Point to Point	12-Months Average	Point to Point	12-Months Average
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	5.22
May'21	5.26	5.59	4.87	5.82	5.86	5.23
June'21	5.64	5.56	5.45	5.73	5.94	5.29
Jul'21	5.36	5.54	5.08	5.68	5.80	5.33
Aug'21	5.54	5.53	5.16	5.60	6.13	5.43
Sep'2021	5.59	5.50	5.21	5.49	6.19	5.52
Oct'21	5.70	5.44	5.22	5.32	6.48	5.64
Source: Bangladesh Bank						

3.2 Exchange Rate Movements

Exhibit: Monthly Currency Rate of India & Bangladesh

	Taka/USD		Rupee/USD
	Month Average	Month End	Month End
Jul'20	84.8120	84.8000	74.7722
Aug'20	84.8390	84.8053	73.5951
Sep'20	84.8025	84.8087	73.7978
Oct'20	84.8023	84.8000	73.9732
Nov'20	84.8005	84.8000	73.7983
Dec'20	84.8003	84.8007	73.0536
Jan'21	84.8011	84.8006	72.9519
Feb'21	84.8007	84.8000	73.0408
Mar'21	84.8009	84.8007	73.5047
April'21	84.8010	84.8000	74.0573
May'21	84.8003	84.8000	72.5211
June'21	84.8148	84.8054	74.3456
Jul'21	84.8037	84.8024	74.3871
Aug'21	84.9523	85.2000	73.1536
Sep'21	84.8025	84.8087	85.5000
Oct'21	84.8023	84.8000	85.6500
Source: Bangladesh Bank Monthly Update			

The data shows that the Bangladeshi taka slightly appreciated by 0.00010% while Indian Rupee depreciated by 0.00058% against the US dollar at the end of October, 2021 compared to end of October, 2021. The appreciation is partially attributed to the increase in foreign reserve of US dollar. Although, the export has undergone a record month-on-month growth and the remittance inflow has decreased on the stipulated month. If the Bangladeshi taka further appreciates in coming months that may have insignificant negative shocks in export and remittance inflow in FY2022.

Exhibit: Major Country Currency Against BDT

Month	EURO	US Dollar	UK Pound	Saudi Arabian Riyal	Indian Rupee	Chinese Yuan	Japanese Yen
Jul'20	100.00	84.80	110.21	22.61	1.13	12.13	0.81
Aug'20	100.98	84.83	113.26	22.62	1.16	12.36	0.81
Sep'20	99.64	84.84	109.13	22.62	1.15	12.46	0.80
Oct'20	99.60	84.80	110.09	22.61	1.14	12.61	0.81
Nov'20	101.45	84.80	112.92	22.61	1.15	12.90	0.81
Dec'20	104.28	84.80	115.54	22.60	1.16	13.00	0.82
Jan'21	102.92	84.80	116.21	22.61	1.16	13.11	0.81
Feb'21	102.41	84.80	118.16	22.61	1.15	13.10	0.80
Mar'21	99.35	84.80	116.53	22.61	1.15	12.90	0.77
April'21	102.82	84.80	118.16	22.61	1.14	13.10	0.78
May'21	103.38	84.80	120.32	22.61	1.17	13.32	0.77
June'21	100.90	84.81	117.36	22.61	1.14	13.13	0.77
Jul'21	100.44	84.81	117.88	22.61	1.14	13.06	0.77
Aug'21	100.51	85.20	117.24	22.72	1.16	13.17	0.78
Sep'21	99.15	85.50	114.80	22.79	1.15	13.18	0.76
Oct'21	99.07	85.68	117.31	22.84	1.14	13.41	0.75
Source: Bangladesh Bank							



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 also performs the following responsibilities:

- **People's Leasing and Financial Services Limited – Court appointed as the Director of People's Leasing and Financial Services Limited.**
- **Dhaka Chamber of Commerce and Industry (DCCI) – Appointed as one of the Board members for 2020-2022 and also Senior Vice President for 2021.**
- **Institute of Chartered Accountants of Bangladesh (ICAB) – Elected Council member for 2019-21 and Ex Vice President (Education and Examination) for 2019.**
- **Unique Hotel And Resort - Appointed as the Independent Director of Unique Hotel And Resort**
- **Shasha Denims Ltd. – Appointed as Independent Director of Shasha Denims Ltd.**



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 the 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. A.B.M. Qudrot-E-Khoda
Financial Analyst

Mr. A.B.M. Qudrot-E-Khoda 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 2016 and had been holding the position of Financial Analyst since 2018.

Mr. Qudrot completed his Bachelor of Social Science (BSS) major in Economics & Finance from East West University and Master of Business Administration majoring in Finance from United International 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 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.

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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.

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