

ECRL Monthly Economic and Business Review



EMERGING
Credit Rating Ltd
an independent house of risk assessment

Volume 10 | Issue 3 |

September 2022

Table of Content

01

Cover Story

Price Volatility of Rawhides: Impact on the Leather Industry of Bangladesh

ECRL Thought

Currency Devaluation in Bangladesh and Its Impact

06

09

Expert Opinion

Credit Rating in the Future

Banking Statistics

- Call Money Rate
 - E-Commerce
 - E-Banking
-

12

14

Capital Market Update

- Dhaka Stock Exchange Update
 - Chittagong Stock Exchange Update
-

Bangladesh Macroeconomic Update

- Real Sector
 - Fiscal Sector
-

17

21

World Business and Economy in Brief

Bangladesh Business and Economy in Brief

22

23

ECRL News

Price Volatility of Rawhides: Impact on the Leather Industry of Bangladesh

Introduction

The leather industry is important in Bangladesh, which is the fourth most potential export earner after the Readymade Garment (RMG), Jute, Fish & Shrimp (Bangladesh Bank, 2022). This industry has significant potential for development using a massive supply of cheap labor and raw materials. At the same time, this industry can contribute significantly to export diversification and boost export earnings, as well as help to reduce the country's over-dependence on the RMG sector.

However, the data of Bangladesh Bank (The data has been collected from Bangladesh Bank's website:

<https://www.bb.org.bd/en/index.php/publication/publication/3/10>, accessed 16 August 2022) shows that export earnings have started to decline since FY2014 (Figure 1), which has gained momentum after the relocation of the tanneries from Hazaribagh to Savar in 2016 and the Covid-19 pandemic. Moreover, the total decline in leather exports from FY1972 to 2019 was 79% (The Financial Express, 2022). Figure 1 also shows that in the first eleven months of FY2022, the export earnings from the leather industry stood at Tk.9,620 million, which is 35.11% more than the same period of the previous fiscal year. In the corresponding period of the previous fiscal year, the export income was Tk.7,120 million. This increasing trend of export of leather and related goods is due to the export liberalization after the pandemic shock.

Moreover, this industry contributes to the country's total exports of about 4% and 0.5% of total GDP; besides, six lakh laborers are working

directly and three lakh indirectly (The Business Standard, 2022). Nevertheless, Bangladesh's current share of the world's \$215 billion leather and leather goods market is only 0.5% (The Financial Express, 2022). In this situation, the industries ministry set a target to increase exports to \$5 billion by 2025 and increase the sector's contribution to GDP by 1% (The Business Standard, 2022).

The leather industry is suffering from a lot of issues, such as mainly relocation from Hazaribagh to Savar, environmental pollution issues, Common Effluent Treatment Plant (CETP) installation, solid waste management system & dumping yard, imported machinery & chemicals, inefficiency in raw material procurement, lack of skilled workforce, lack of funding, heavily reliant on brokers, work environment, meager rawhide price, power supply, and so on (Business Inspection, 2022). Keeping all the problems in mind, the main objective of this report is to identify why the price of rawhides declined and its impact on the leather industry.



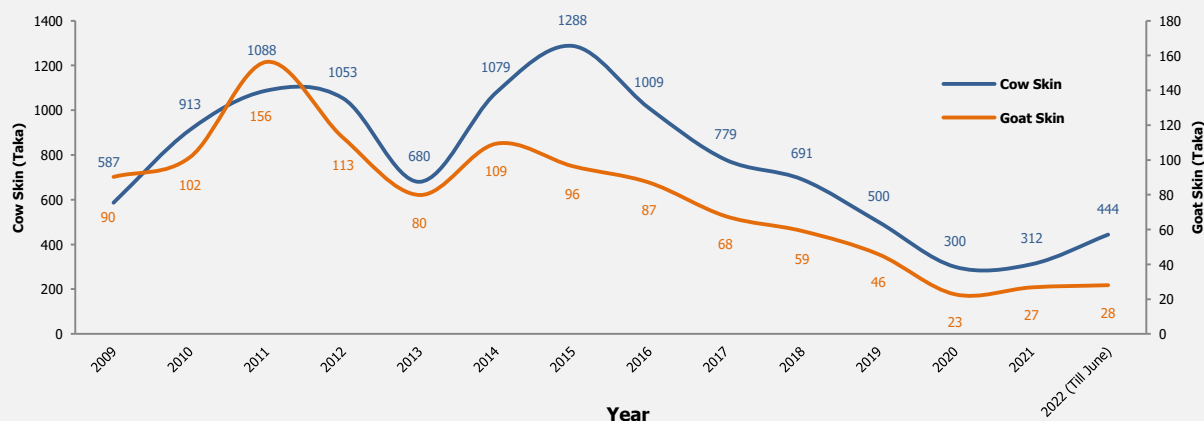
Present Status of the Rawhide Price

Figure 2 shows (The data has been collected from Bangladesh Bank's website: <https://www.bb.org.bd/en/index.php/publication/publication/3/10>, accessed 16 August 2022) that rawhide prices for both cows and goats started declining in 2015 and reached lowest level in 2020 (goat 23-taka per piece and cow 300-taka per piece). After that, the price started to increase slowly again, and the goat rawhide price increased to Tk.28 and cow Tk.444 in 2022. Besides, during Eid-ul-Adha, the rawhide supply increased significantly for a short period due to slaughtered (sacrificing) a significant number of animals (cow, goat, buffalo, sheep, etc.), a total of 44 lakh bulls and 22 lakh goats were slaughtered (The Daily Star, 2021). In the last couple of years (last three years), the price of rawhides at that time dropped below the breakeven point that some vendors were forced to throw their rawhides. The price decline rate

was so strong that the rawhide price did not even meet their transport cost.

Considering the significant price fall, the commerce ministry of Bangladesh set the rawhide price (price floor) above the market price (equilibrium price) to protect the vendors from this extreme price fall. For example, in 2022, the government has fixed TK. 47-52 per square foot of cattle rawhide in Dhaka and TK. 40-44 per square foot outside of Dhaka, which is 8% more than the previous year. On the other hand, at the same time, the price of male goat skin was fixed at TK. 18-20 per square foot, and the female goat was fixed at TK. 12-14 per square foot. Besides, the government also set the wholesale price for cattle rawhide (TK. 433 in 2022 and TK. 281 in 2021) and goat skin. In the international market, exporting per square foot of finished leather for \$1 to \$1.1, but in the case of compliance factories, the price ranges from \$1.3 to \$1.4 depending on buyers (The Business Post, 2022).

Figure 2. The yearly price per piece rawhide (cow & goat)



The Causes of Rawhide Price Fall

Now the question is why the price is declining. We found several reasons after reviewing the articles and interviews of the tannery owners. For example, the high cost of preserving rawhides reduced demand for rawhide, ban the export of rawhide and wet-blue leather, the lack of export of leather goods, etc.

Generally, rawhide can be preserved in three ways: freezing, salting and drying. In Bangladesh, preservation is mainly done by salt, which is expensive considering the current price of rawhide. For example, preserving cattle or goat skin requires 40-50% salt of the skin weight, about 8-9 Kg salt, and the cost of salt is around TK. 200-300 for an average size of cattle rawhide. Thus, with high preservation costs and low rawhide market price, the tannery owners

are discouraged from storing raw hides, which further reduces the price.

On the other hand, rawhide demand in the domestic market has declined due to decreasing the number of tanneries after shifting from Hazaribagh to Savar, as well as due to the covid-19 pandemic; the export growth becomes negative; which has made the local rawhide market unusually dull (Financial Express, 2022; The Business Post, 2022). Additionally, due to compliance issues, Bangladesh has less access to the world market and is forced to export leather goods below the fair price (The Business Post, 2022).

Consequently, rawhide price has fallen drastically over the last three years, especially during Eid-ul-Adha, due to the surplus supply. So, many traders sold their rawhide at throwaway prices or dumped them into water bodies or other open spaces. Against such a backdrop, the government decided to allow the export of rawhide and wet-blue leather on a 'case-to-case' basis after 32 years last year. As a result, the rawhide market has increased slightly since last July (The Business Post, 2022).

Challenges and Opportunities

Setting the rawhide price at an equilibrium level is challenging because the demand-supply gap is significantly high. The gap only can mitigate by increasing the demand for rawhide. The rawhide mainly comes from the byproduct of the meat industry. However, in recent years, Bangladesh has been self-sufficient in meat production and thinking of exporting surplus production abroad. In this situation, it is impossible to reduce the supply of rawhide. So, we have to think alternative.

Suppose the government intervenes in the market by setting a price floor above the equilibrium price to maintain a certain level of prices. This will obviously increase the possibility of excess supply of rawhide in the market, even though the market is already suffering from oversupply. In this circumstance, government intervention will not work efficiently. The recent government intervention in 2022 (the commerce

ministry of Bangladesh) was not successful in preventing rawhide prices from falling. On the other hand, setting a price ceiling is needless, as it is set when the price of a commodity is prevented from rising above a certain level.

The next challenge is to re-establish all the previous tanneries in the Savar Leather Industrial Park, but this is impossible due to the lack of land. So far, 154 tanneries out of 222 have been allocated plots at the Savar Leather Industrial Park. However, if the government can increase the total number of tanneries shortly, including the total waste management system, that will boost the demand for rawhide and create a significant opportunity for rawhide vendors.

Another challenge is to increase the significant number of leather goods manufacturing factories, which will create a demand for rawhide. Install more factories is somehow quite tricky because it is related to not only the domestic market but also export.

Exporting leather and leather goods is another challenge due to compliance issues. Bangladesh mainly exports finished leather to China, Vietnam, Thailand, and Italy; and is forced to export leather goods below the fair price (The Business Post, 2022). According to the Chairman of the Bangladesh Tanners Association (BTA), the existing capacity is enough to export a minimum of \$3 billion, but the industry failed to meet the capacity because of a compliance issue.

The industry has also suffered to set up CETP for all tanneries and ensure a proper and complete waste management system. The Human Right Watch reported that tanneries are responsible for air, water, and soil pollution, which leads to serious health problems in the population (Human Rights Watch, 2012). To mitigate the problems, the Bangladesh government has shifted tanneries from Hazaribagh to Savar, but still, there is no improvement in solid waste disposal in the open surrounding areas. Although, some of the tanneries have installed ETP at their own cost. However, which is not enough to achieve global

standards and obtain the Leather Working Group (LWG)'s certification.

The other problems are the efficiency of supply chain and backward linkage management, quality of products, necessary government backing, lack of domestic and foreign investment, lack of training programs, and so on.

From the above discussion, it is clear that rawhide prices declined below the equilibrium level due to the surplus supply of rawhide, which is optimistic for the leather industry. The leather industry has considerable potential for development using Bangladesh's ample supply of low-cost labor and raw material. According to Grand View Research, the global leather goods market is anticipated to reach \$624.08 billion by 2028 (The Business Standard, 2022). Considering all the opportunities, the development of this industry is essential for several reasons. For example, the development of this industry can contribute significantly to unemployment reduction, boosting foreign currency earning or export earnings (which helps the government to increase foreign currency reserves), and most importantly, export diversification. It should be noted that this industry's primary raw material (rawhide) comes from local sources. Hence this industry does not spend foreign currency to purchase raw materials like RMG. The net profit margin will also be significantly higher than the RMG sector.

Conclusion and Recommendation

The leather industry, the fourth most potential export earner, has significant potential for development using our huge supply of cheap labor and raw materials, which can play a significant role in export diversification. At present, Bangladesh contributes only 0.5% of the world's \$215 billion leather and leather goods market. Using our strength of cheap labor and raw materials, Bangladesh set a target to

increase exports to \$5 billion by 2025 and increase the sector's contribution to GDP by 1%, where the main challenge is compliance issues.

However, this industry is suffering an oversupply of rawhide problem, which we cannot control because the rawhide is the byproduct of the meat industry. Excess supply of the rawhides increases exponentially on Eid-UI-Adha; on average, 44 lakh bulls and 22 lakh goats are slaughtered each year in Eid-UI-Adha, which brings down the price of rawhide below the breakeven point. This abnormal fall in prices is ominous for the leather industry. This unusual fall in prices happened due to the high cost of preserving rawhides, reduced demand for rawhide, the ban on the export of rawhide and wet-blue leather, the lack of export of leather goods, etc.

Nowadays, this sharp fall in the price of raw hides is one of many problems in the leather industry which must be resolved jointly. Currently, this industry is suffering from various problems such as relocation from Hazaribagh to Savar, environmental pollution issues, CETP installation, solid waste management system & dumping yard, imported machinery & chemicals, inefficiency in raw material procurement, lack of skilled workforce, lack of domestic and foreign investment, work environment, power supply, quality products production, and government support, and so on. If all these problems can be solved rationally on a priority basis, that will contribute significantly to the unemployment reduction, boosting foreign currency earning or export earnings which support increasing foreign reserve, and most importantly, export diversification; which will lead to an increase in the rawhides' demand, and will naturally contribute to the increase in the market price. And, finally, this fourth largest export sector's contribution to GDP will increase significantly and move to the second position next to the RMG sector.

References

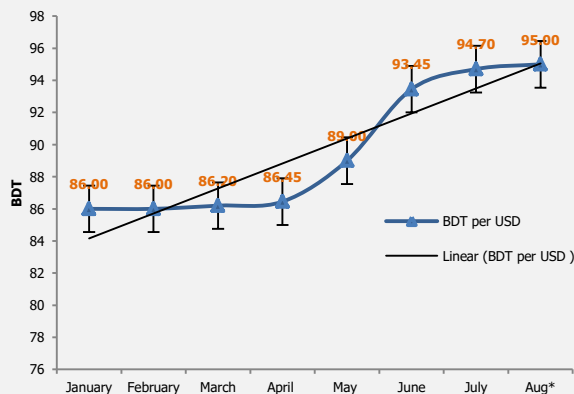
- Bangladesh Bank. (2022). *Bangladesh Bank*.
<https://www.bb.org.bd/en/index.php/publication/publicity/3/10>
- Business Inspection. (2022, January 7). Leather Industry of Bangladesh: Challenges and Opportunities. *Business Inspection BD*. <https://businessinspection.com.bd/leather-industry-of-bangladesh/>
- Financial Express. (2022). *Realising leather sector's potential*. The Financial Express. <https://thefinancialexpress.com.bd/editorial/realising-leather-sectors-potential-1644940926>
- Human Rights Watch. (2012, October 8). Bangladesh: Tanneries Harm Workers, Poison Communities. *Human Rights Watch*. <https://www.hrw.org/news/2012/10/08/bangladesh-tanneries-harm-workers-poison-communities>
- The Business Post. (2022). *Leather sector likely to see its heyday*. <https://businesspostbd.com/front/2022-05-16/leather-sector-likely-to-see-its-heyday-2022-05-16>
- The Business Standard. (2022, March 14). *Bangladesh eyes \$10b exports in leather goods by 2030*. The Business Standard. <https://www.tbsnews.net/economy/industry/bangladesh-eyes-10b-exports-leather-goods-2030-384472>
- The Daily Star. (2021, July 24). *No Eid cheer for seasonal rawhide traders*. The Daily Star. <https://www.thedailystar.net/news/bangladesh/news/no-eid-cheer-seasonal-rawhide-traders-2135576>
- The Financial Express. (2022). *Time-bound action plan for leather industry*. The Financial Express. <https://thefinancialexpress.com.bd/editorial/time-bound-action-plan-for-leather-industry-1654706885>

Currency Devaluation in Bangladesh and Its Impact

Bangladesh maintains a floating exchange-rate regime where the foreign exchange market sets the currency rate based on supply and demand relative to other currencies. Due to recent past uncalled events like the Covid-19 pandemic and the Russia-Ukraine war, the world is experiencing shockwaves and it is facing the resulting impact on its economies; USD currency appreciation against major currencies in the world created pressure on the exchange rate of Bangladesh along with other countries. Ensuing from the abrupt shocking events, the market uncertainty and economic obstruction are disrupting the global markets with soaring prices of oil, metals, grains, etc. Being a developing country, Bangladesh is also wrestling with the current turn of events in both international and domestic markets, affected by increased commodity prices, shooting import payments, and dollar shortage.

The world could not release a sigh of relief after the pandemic just when the invasion by Russia in Ukraine affected the global supply chain with a dollar crunch and rising inflation rate. This dollar crunch had a significant impact on the economy of Bangladesh. Over the last four months (May-August, 2022), the currency rate of Bangladesh followed an increasing trend which started at a slower pace in the first three months after the political turmoil heated up (Figure 1). There had been fluctuations in the sale of dollars by Bangladesh Bank over the last six years, and the sale increased significantly in FY2022 (Figure 2). Currently, the currency rate is at BDT 95 as on August 25, 2022, as per data by Bangladesh Bank (Figure 1). According to industry insiders, the dollar price in the open market also jumped to BDT 120 in the second week of August, which increased by around 26% (The Financial Express, 2022).

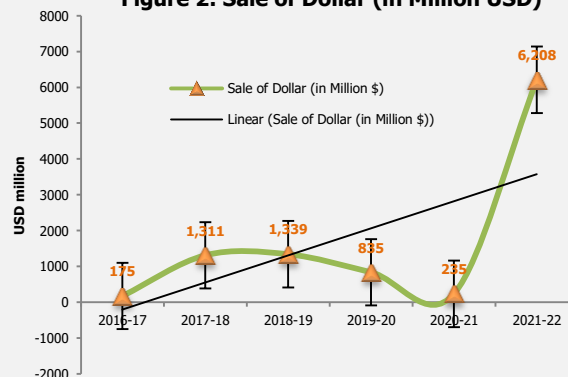
Figure 1: BDT per USD



Source: Data has been taken from the Bangladesh Bank Website (Bangladesh Bank, 2022)

Note: *Data on August 25, 2022

Figure 2: Sale of Dollar (in Million USD)



Source: Data has been taken from the Bangladesh Bank Website (Bangladesh Bank, 2022)

Usually, the central bank intervenes to stabilize the foreign exchange market by injecting greenbacks. However, the currency market has become unstable with the rising demand for greenbacks. Not only the Bangladeshi Taka but also the currencies of the world's top economies like the UK & Germany, including the neighboring countries like India, Pakistan, Sri Lanka, and Afghanistan, have also lost their value against the US dollar. For example, within the last year, the GBP in the UK and the EUR from various European countries have lost 14.29% and 15.7%, respectively, against the US dollar. This resulted when the US Federal Reserve System raised the short-term interest rate by 0.75% on May 4, 2022, to reduce the dollar supply and encourage people to save money (Business Inspection BD, 2022).

A gap was created due to higher imports compared to export, which widened the current account balance in FY2022. As observed by the data from Bangladesh Bank (Figure 3) the gap inflated during FY2022 compared to previous

years' current account deficit. Along with Bangladesh's trade deficit of USD 27.56 billion, remittances declined by 18% in FY2022 (Business Inspection BD, 2022). As a result, the country's foreign exchange market has come under pressure. The remittance flows also declined to illustrate additional pressure on the economy.

Governments and central banks control the factors that influence currency value. Currency devaluation can occur when the foreign exchange value of one currency drops against

Moreover, the productive capacity of an economy and the size of its money supply also influence currency depreciation. As the supply of money grows faster than productivity, it represents more units of currency with less exchange value and inflation is produced (Ross, 2021). According to the monetary policy statement in Bangladesh 2022 (Bangladesh Bank, 2022), Bangladesh follows an expansionary policy and had been formulated assuming a 7.20% GDP growth and 5.30% inflation rate. In FY2022-23, the broad money growth is projected to rise to 12.1 percent from

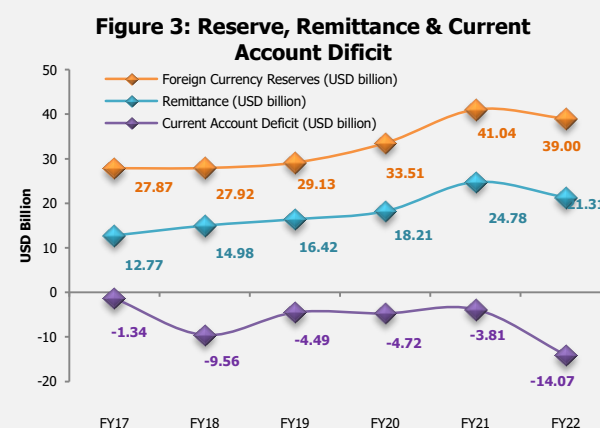


the exchange value of other currencies. In this case, the dollar rate appreciated against most major currencies, which is one of the main reasons for currency devaluation in Bangladesh (Ross, 2021).

Bangladesh's foreign exchange market has been facing a shortage of the US dollar over the last couple of months mainly due to soaring import payments and lower-than-expected remittance inflow. The expatriate remittance inflow fell by 15.95% year-on-year to USD 19.19 billion, and the foreign exchange reserves decreased to USD 42.11 billion on June 01, 2022, from USD 46.15 billion on December 31, 2021 (Uddin, 2022). This decreased remittance and higher imports in the country further aggravated the currency depreciation in Bangladesh.

This dollar crunch further increased as Bangladesh Bank adopted step by step policy, to stabilize the dollar shortage situation. Bangladesh Bank released about USD 6.21 billion of its reserves through commercial banks, as liquidity support for settling import-payment obligations in their FY 2021-22 and thus the foreign reserve has been reduced to about USD 42 billion. The step-by-step policy aims to reduce the adverse reaction in the import-export trade and it compelled the BB to depreciate the local currency eight times in FY2022 to keep control of the foreign exchange market (Uddin, 2022).

9.1 percent in FY2021- 22 as per the monetary policy statement in Bangladesh. However, Bangladesh Bank will follow a cautious policy attitude with its monetary and credit programs in 2023.



Source: Data has been taken from the Bangladesh Bank Website (Bangladesh Bank, 2022)

The recent currency devaluation in Bangladesh already affected the balance of payment of the nation as the import payments took pace while export did not grow as much. Moreover, the devaluation in currency is contractionary to the economy's long-run negative effect on economic growth & productivity. The consequences include a reduction in real income as the price of commodities increases leading to worsened terms of trade, rising inflation rate, transfer of income from the private sector to the

government sector, income spending declines with the rise in saving, and lower investments leading to slow down of the economy (Ojuolape et al., 2015).

The depreciation will further add inflation, affecting the poor due to the increase in commodity prices. Thus, the government should take appropriate measures to handle this crisis to avoid long run impact. It is recommended

that both monetary and fiscal policies should be taken to support the economy. At the same time, effective measures such as encouraging exports, increasing investment by creating an investment-friendly environment, increasing subsidies for export-oriented industries and increasing remittance flows by providing special facilities to expatriates, so that the country can get rid of the problem in the long run.

References:

Business Inspection BD. (2022). Why Bangladeshi Taka Losing Value Against US Dollar. *Business Inspection BD*. <https://businessinspection.com.bd/why-bangladeshi-taka-losing-value-against-us-dollar/>

Bangladesh Bank (2022). *Monetary policy Statement FY2022-23*. Retrieved September 1, 2022, from https://www.bb.org.bd/monetaryactivity/mps/mps_fy2022-23.pdf

Ojuolape, A., Yusuf, H., Alabi, M., & Oladipupo, A. (2015). The Effects of Currency Devaluation on Output Growth in Developing Economies with Currency Crises. *International Journal of Economic Research*, 12, 1143–1157.

Ross, S. (2021). *What key economic factors cause currency depreciation in a country?* Investopedia. <https://www.investopedia.com/ask/answers/060115/what-are-key-economic-factors-can-cause-currency-depreciation-country.asp>

The Financial Express. (2022). *Dollar price in kerb market jumps to Tk 120*. The Financial Express. <https://thefinancialexpress.com.bd/economy/bangladesh/dollar-price-in-kerb-market-jumps-to-tk-120-1660139525>

Uddin, A. Z. (2022). *Bangladesh Bank lets taka float against US dollar* / *The Daily Star*. <https://www.thedailystar.net/business/economy/banks/news/bb-lets-taka-float-against-us-dollar-3038031#lg=1&slide=0>



Credit Rating in the Future

Arifur Rahman, FCCA, ACA

Director and COO
Emerging Credit Rating Limited

Interviewed By
Nabihatul Afrooz, Financial Analyst

Mr. Arifur Rahman is the Director and Chief Operating Officer (COO) of the Emerging Credit Rating Limited (ECRL). He is involved in taking charge of the technical and organizational interests and advising the company in articulating current business strategies and future growth potentials. He has 21 years of expertise in various sectors such as Auditing, Financial Consultancy, Feasibility Studies, Tax Advisory and Planning, Civil Engineering, and so on. He is a Certified Shariah Adviser & Auditor (CSAA) and also a Fellow Member of the Association of Chartered Certified Accountants (ACCA), UK. Mr. Rahman is qualified as a chartered accountant of the Institute of Chartered Accountants of Bangladesh (ICAB). He obtained BSc in Engineering from Bangladesh University of Engineering and Technology (BUET) and BSc (Hons) in Applied Accounting from Oxford Brookes University.

What is the primary purpose of credit rating firms?

The objective of any credit rating firm is to assess the financial health/debt, repayment, and capability of an entity, which includes individuals, groups, businesses, non-profit organizations, governments, and even countries. Credit rating agencies deliver independent, transparent, and quality opinions regarding the entity's creditworthiness.

Why is credit rating important? How important is it for project finance or startup business?

As credit rating is an assessment of an entity's creditworthiness and financial health, an independent & impartial credit rating can bring confidence among investors. Quality on rating opinion can change the overall landscape of an economy by ensuring compliance and good corporate governance.

Any project finance or startup business needs to gain the trust of the investors/financers while borrowing funds as it allows them to weigh the proportion of risk associated with repayment of the fund. Hence, financers and borrowers can make critical decisions based on the credit rating assessment. It can play an essential role for a



EMERGING
Credit Rating Ltd
an independent house of risk assessment

startup to establish confidence among its financiers during credit rating exercises.

While assessing, the analyst not only looks into the numerical monetary figures of the entity but also tries to evaluate the confounding qualitative factors of the organization. The project's viability, the capability of investors, the state of the industry, and the commitment already made are also considered for a good credit rating which can make the financier assertive about the investment decision.

How does an entrepreneur get bank credit for startup business/ project financing?

Before approaching a bank or any financial institution, an entrepreneur has to have an excellent case study or feasibility report to present to the banker that will demonstrate the project's cash flow return, cost, investment, profitability, payback period, strength, weakness, including business & industry risk. An independent credit rating also looks into the case study of the project while analyzing the capability & future perception to service the debt. The credit rating report can support the case study while getting funds or credit from a bank or financial institution.

Financers/Investors: Considering the risk associated with the investment, investors can make comprehensive decisions about investment. The potentiality of the project finance or startup business can be evaluated through the credit rating.

Borrowers: Credit rating makes it convenient for entities to receive the fund as it provides detailed information on the entity's financial health and credit repayment risk.

What factors should be considered while performing credit rating?

While performing a credit rating exercise, it is necessary to collect both quantitative of qualitative data such as nature of products or services, understanding of the business, financial performance, business risk, industry risk, the capability of management, operational and strategical advantages and disadvantages of any business and also repayment pattern in case

of previously taken credit facilities from banks or financial institutions. In the case of SMEs, where financial data is not very reliable, we try to rely on qualitative data.

Are the Credit Rating Companies following international standards while analyzing the business's creditworthiness? Please briefly explain the standards.

In Bangladesh, the credit rating industry is still emerging, and industries do not maintain proper procedures to provide supportive data. Many businesses are not maintaining accurate organizational standards, and the compliance culture is not strong enough. In many cases, financial data is not entirely reliable as appropriate accounting standard is not maintained. Hence, rating companies have to face difficulties in following international standards. Nevertheless, in ECRL, we have designed our system in such a way as to minimize data error and inaccuracy. We follow strict procedures during data collection, following the relevancy and reliability of the source while analyzing the data with precision to produce a rating report that reflects the organization's actual strength or picture. Nevertheless, we must follow the IOSCO code and correct analysis procedure to elevate ourselves to an international stage.

The world is changing significantly for the Covid-19 pandemic and recent global turmoil (Russia-Ukraine war). What kind of impact did the Credit Rating Companies experienced in this situation? What would be the remedies?

During the lockdown period, visiting the clients had been limited as we had to work from home. It was challenging to inspect the clients' businesses to observe them closely physically. The country's and business's economic condition also deteriorated due to the Covid-19 pandemic. The economy has not even recovered from the blow of the pandemic when the recent Russia-Ukraine war took aback the world economy. The situation has worsened further for credit rating firms and other businesses with the rising utility crisis. Shortage of electricity and limited working hours to conserve energy has made it

challenging to work uninterrupted. Rising fuel costs and other inflationary impacts have affected the cost incurred by firms, and the rating companies are suffering to get desired revenue. Besides, the rating companies are facing difficulties in keeping good employees and experiencing increased turnover of employees. On the other hand, due to changing economic conditions, the requirement of rigorous rating exercise has become necessary which is increasing the cost.

Do you think the importance of credit rating has increased due to the global turmoil compared to the pre-pandemic situation? Why?

Yes. A solvent company running efficiently before the pandemic has turned into a marginalized company after the pandemic. Many factors are responsible for this downfall, such as cancellation of work orders from international buyers, unavailability or shortage of raw materials, and an increase in the cost of raw materials that have made businesses non-competitive. Moreover, the recent war with rising inflation has made it necessary to evaluate & predict the impact of these factors on the businesses' profitability and future solvency. Independent credit rating reports will undoubtedly point out the issues and the solutions for these issues. Regulators, investors, and government can take different information and data from this. A proper credit rating exercise will enable investors to make significant investments and business decisions.

What is the future of the rating industry in Bangladesh?

As I have already mentioned earlier, Bangladesh's credit rating industry is still in the growing stage. Rating agencies are significantly dependent on bank loan ratings due to the non-existent of the bond market, and BSEC and the

Finance Ministry are working on it. So, the future of the credit rating industry will also depend on how quickly and to what extent it happens. Moreover, international rating companies also provide different types of services like market research, research on capital markets, etc. Bangladesh rating companies will also have to think that way.

What new things are yet to be developed in the rating industry?

As I mentioned, we can offer various value-added services relevant to our field. A strong research team can give a new dimension to the industry through data visualization by adopting machine learning technology and artificial intelligence. At the same time, we can also think about alternative rating procedures.

How important do you think it is to have a research team for a Credit Rating Company?

We need a strong research team because we try to forecast based on past data. It is not easy without the help of a strong research team. A strong research team is the heart of any rating company.

What needs to be done to develop the rating industry in Bangladesh?

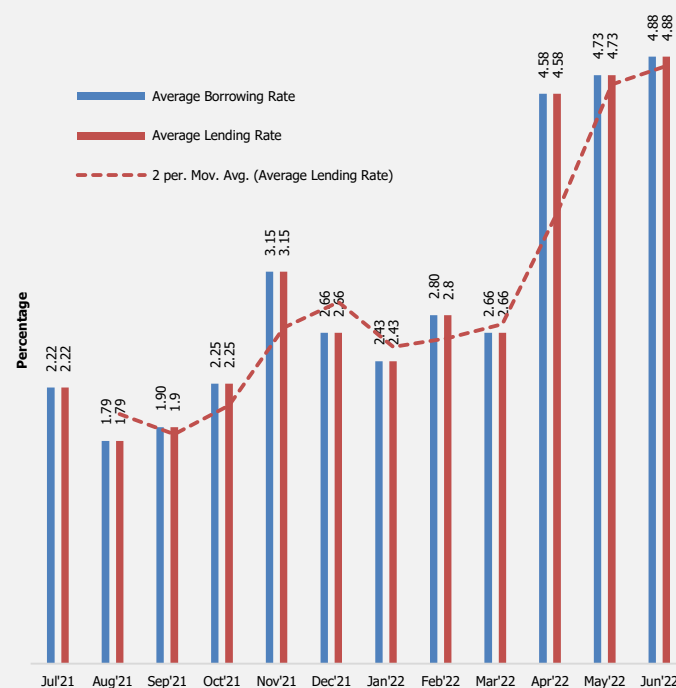
We need a substantial debt and asset-backed securities market for Credit Rating Companies to flourish further. Besides, every rating company must develop a strong rating culture to accumulate skillful analysts and a good business model. We need to educate stakeholders so that the importance of the objective of the independent rating exercise is understood at all levels. All rating companies need to come together to develop a proper rating culture.

The average call money market rate experienced fluctuations over the last 12 months till June 2022, and the lending and borrowing rates accelerated after March 2022 and both stood at 4.88% in June 2022 (Figure 1).

Table 1 exhibits that e-banking and e-commerce transactions have increased over the last couple of months. The number of transactions for Cheque, Electronic Fund Transfers, Credit & Debit Card increased by 47%, 19%, 1%, & 21%, respectively.

With the digitization of Bangladesh, now-a-day people prefer the internet and mobile banking rather than doing transactions by physically traveling to Banks or ATMs. Table 2 shows that the number of customers, who are transacting through internet banking, increased by 4% in June 2022 compared to the previous month. Similarly, mobile banking subscribers also went up than before by 2% in June 2022. Currently, agent banking has become popular in rural areas as well for which the amount of money transacted through agent banking exceeded the BDT 50,000-crore mark for the first time in January 2022 and currently stood at BDT 58,534.18 crore.

Figure 1. Call Money Rate



Source: Bangladesh Bank

Table 1. E-Banking, and E-Commerce Statistics

Month	Cheque Clearing		Electronic Fund Transfers (Outward)		Credit Card		Debit Card	
	Transaction	Amount (BDT in Crore)	Transaction	Amount (BDT in Crore)	Transaction	Amount (BDT in Crore)	Transaction	Amount (BDT in Crore)
Jul'21	1,259,064.00	164,073.00	3,582,988.00	32,985.99	2,246,057.00	1,486.56	22,791,600.00	21,783.95
Aug'21	1,591,262.00	184,790.80	3,689,818.00	36,466.78	2,769,991.00	1,674.43	23,275,096.00	20,934.79
Sep'21	1,907,166.00	220,090.00	3,797,571.00	36,829.64	3,031,396.00	1,839.70	24,814,678.00	22,522.17
Oct'21	1,774,519.00	203,499.60	3,572,415.00	36,694.17	3,203,824.00	1,964.28	25,655,022.00	23,126.29
Nov'21	1,903,222.00	208,416.60	3,776,670.00	38,178.22	3,370,208.00	2,092.40	26,156,395.00	23,178.52
Dec'21	1,912,488.00	231,965.40	3,950,342.00	39,769.23	3,471,872.00	2,228.98	27,117,021.00	24,356.97
Jan'22	1,977,010.00	217,450.90	5,055,122.00	42,053.16	3,429,392.00	2,138.38	27,109,022.00	24,700.99
Feb'22	1,801,904.00	197,458.40	3,857,546.00	33,823.21	3,249,764.00	2,108.77	25,759,397.00	24,410.74
Mar'22	2,053,795.00	232,771.80	4,419,145.00	39,588.72	3,798,207.00	2,513.44	30,394,108.00	28,375.01
Apr'22	2,009,194.00	213,552.30	5,667,450.00	41,858.91	4,093,995.00	2,715.28	34,878,785.00	33,317.18
May'22	1,556,897.00	192,566.60	4,378,165.00	36,902.56	3,725,590.00	2,371.06	29,186,418.00	26,050.84
Jun'22	2,285,347.00	278,341.57	5,208,489.00	45,369.71	3,752,891.00	2,491.32	35,437,558.00	34,744.66

Source: Bangladesh Bank

Table 2 . Internet, Mobile, and Agent Banking at a Glance

Month	Internet Banking			Mobile Banking				Agent Banking			
	Customer	Transaction	Amount (BDT in Crore)	Agents	Transactions	Amount (BDT in Crore)	Subscriber	Agents	Transactions	Amount (BDT in Crore)	Subscriber
Jul'21	3,822,834	3,700,893	12,768.77	1,395,455	381,554,769	77,645.90	156,026,369	13,086	11,150,939	32,523.18	12,360,576
Aug'21	3,912,195	3,611,919	15,281.32	1,421,933	369,127,935	71,229.46	159,013,728	13,160	10,557,594	37,512.94	12,605,017
Sep'21	4,025,434	3,799,414	16,862.60	1,411,192	365,210,917	74,248.53	162,095,327	13,467	11,171,328	42,370.15	12,911,018
Oct'21	4,158,419	4,070,877	15,558.28	1,431,364	376,249,253	76,725.32	164,619,367	13,591	11,513,278	42,072.36	13,189,535
Nov'21	4,306,170	3,983,288	17,009.39	1,388,741	376,260,335	78,584.12	167,005,492	13,753	13,846,787	45,381.95	13,507,106
Dec'21	4,439,938	4,299,401	20,558.93	1,412,767	391,636,834	81,099.13	169,722,031	13,951	13,984,633	49,139.29	14,047,396
Jan'22	4,554,785	4,552,127	18,623.21	1,429,850	408,094,514	84,783.41	173,267,972	14,081	14,755,323	52,121.88	14,416,227
Feb'22	4,699,459	4,496,931	17,763.30	1,445,537	368,643,121	78,545.22	176,274,230	14,168	13,291,184	47,055.91	14,777,744
Mar'22	4,826,551	5,177,824	23,140.75	1,465,032	413,268,681	89,076.99	170,251,728	14,170	13,934,578	56,640.25	15,192,980
Apr'22	4,924,682	5,860,722	22,957.60	1,482,016	444,373,921	107,460.31	172,937,294	14,188	14,189,702	53,463.58	15,485,570
May'22	5,138,554	4,819,088	20,662.97	1,495,856	413,216,473	76,311.97	175,769,859	14,240	14,020,406	48,028.71	15,720,988
Jun'22	5,355,586	5,667,084	23,770.84	1,515,665	461,609,837	94,293.70	178,639,642	14,300	22,596,105	58,534.18	16,073,962

Source: Bangladesh Bank

Dhaka Stock Exchange (DSE)

At the end of July 2022, the total number of listed securities stood at 625. Among them, there were 350 companies, 222 government bonds, 36 mutual funds, 9 corporate bonds, and 8 debentures. The number of companies consists of 33 banks, 23 financial institutions, 53 insurance companies, and 241 other companies.

The DSE Broad Index (DSEX) stood at 6133.96 at the end of July 2022, which was 3.81% lower than those of June 2022, and 4.53% lower than the same month of the previous year (Figure 1). On the other hand, Figure 1 also shows that the market capitalization of DSE stood at Tk.5028.78 billion at the end of July 2022, which was 2.88% lower than those of the prior month, and 5.90% lower than the same month of the preceding year.

Figure 1. Market Capitalization and DSE Broad Index

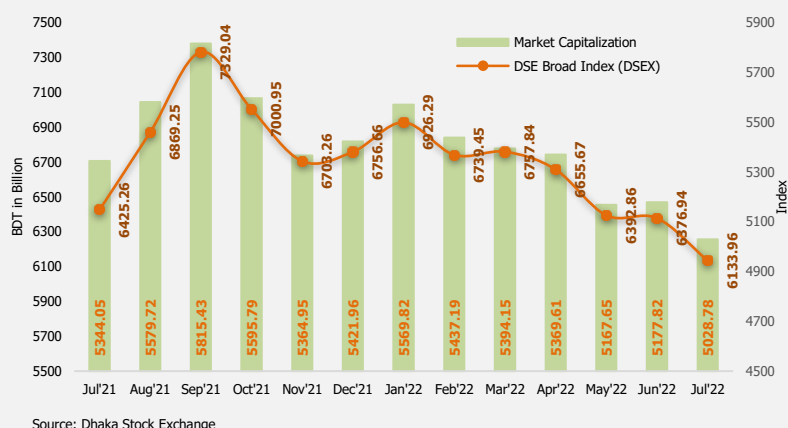
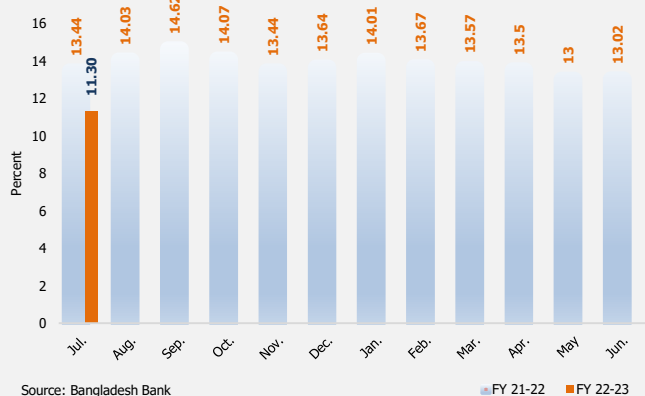


Figure 2. Market Capitalization to GDP Ratio



The ratio of market capitalization to GDP for a particular month is calculated as the total market capitalization of that month divided by the total GDP at the current market price in which this particular month belongs.

The ratio of market capitalization to GDP (at the current market price) stood at 12.65% at the end of July 2022, which was 13.02% at the end of June 2022 and 13.44 percent in the corresponding month of the previous year (Figure 2).

The DSEX Shariah Index (DSES) stood at 1339.48 at the end of July 2022, compared to 1386.78 at the end of June 2022 and 1401.05 at the end of July 2021 (Figure 3).

Figure 3: DSE Shariah Index

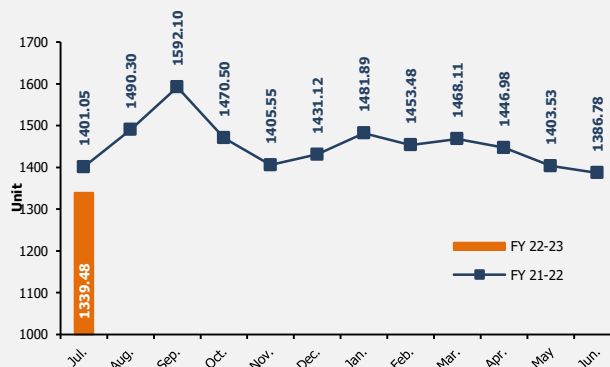
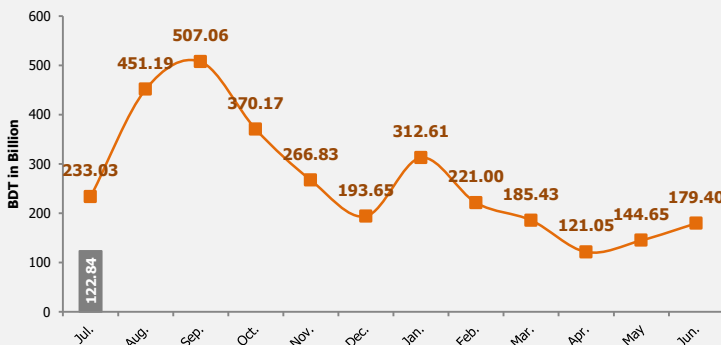


Figure 4. DSE Month to Month Turnover



In July 2022, the value of the total turnover of the traded securities stood at BDT 122.84 billion, which was 31.53% lower than those of June 2022, and 47.29% lower than the corresponding month of the previous year (Figure 4).

Figure 5. Month to Month Price-Earning Ratio and Yield of DSE

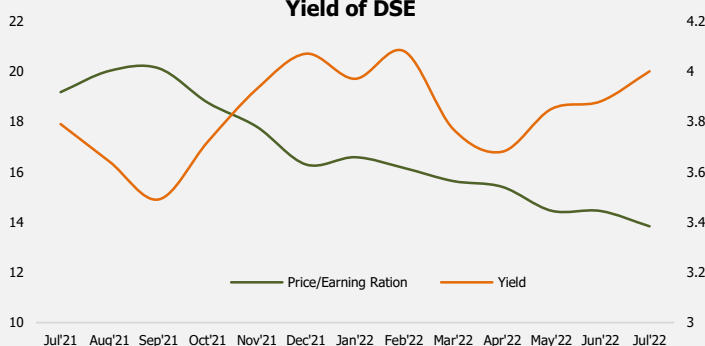


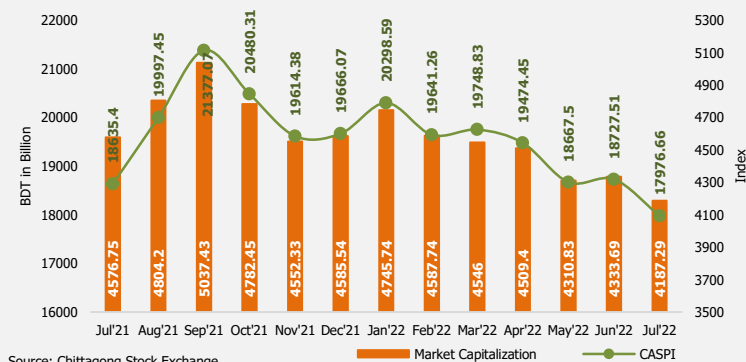
Figure 5 shows the trends in price-earnings ratio and yield. The Price-Earnings (P/E) ratio of all securities stood at 13.83 at the end of July 2022, which was 14.44 at the end of June 2022, and this ratio was 19.17 at the end of July 2021. The yield of all securities increased to 4 at the end of July 2022, which was 3.88 at the end of June 2022 and 3.79 at the end of July 2021.

Source: Dhaka Stock Exchange

Chittagong Stock Exchange (CSE)

Similarly, the total number of listed securities in the CSE stood at 364 at the end of July 2022. The total amount of issued capital stood at Tk.911.23 billion at the end of July 2022, which was Tk.910.64 billion at the end of June 2022, and Tk.837.15 billion at the end of the same month of the previous year.

Figure 1. Market Capitalization and CSE All Share Price Index

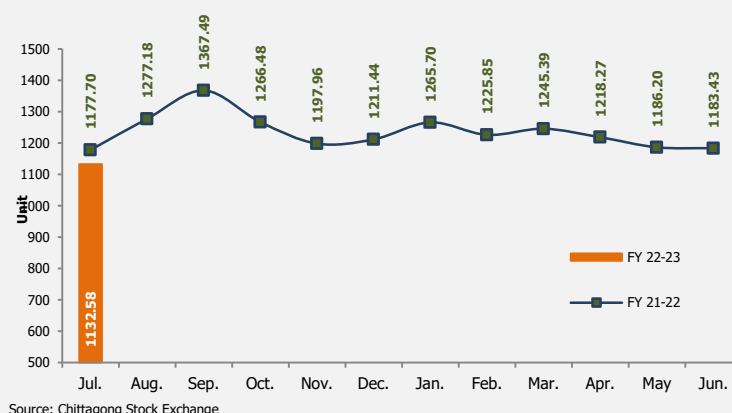


Source: Chittagong Stock Exchange

The trends of market capitalization and all share price indexes of the CSE are shown in Figure 1. All Share Price Index of CSE (CASPI) stood at 17976.66 at the end of July 2022, which was 4.01% and 3.53% lower than those of June 2022, and the same month of the previous year. The market capitalization of the CSE stood at Tk.4187.29 billion at the end of July 2022, which was 3.38% lower than those of June 2022 and 8.51% lower than the same month of the previous year.

The CSE Shariah Index (CSI) stood at 1132.58 at the end of July 2022, which was 1183.43 at the end of June 2022 and 1177.70 at the corresponding month of the previous year (Figure 2).

Figure 2. CSE Shariah Index



In July 2022, the value of the total turnover of the traded securities stood at BDT 3.61 billion, which was 55.60% lower than those of June 2022, and 60.11% lower than the corresponding month of the previous year (Figure 3).

Figure 3. CSE Month to Month Turnover

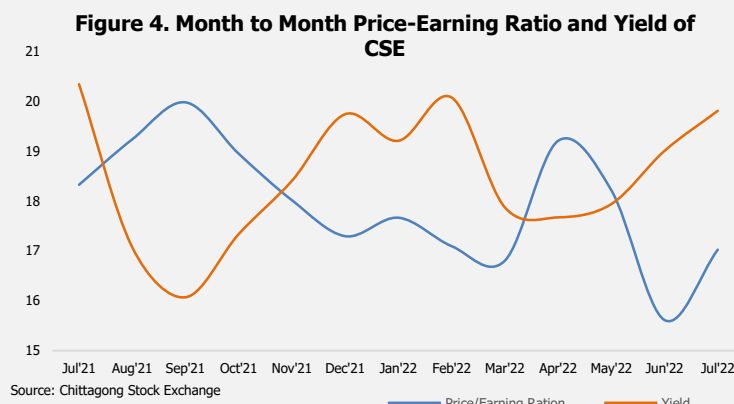
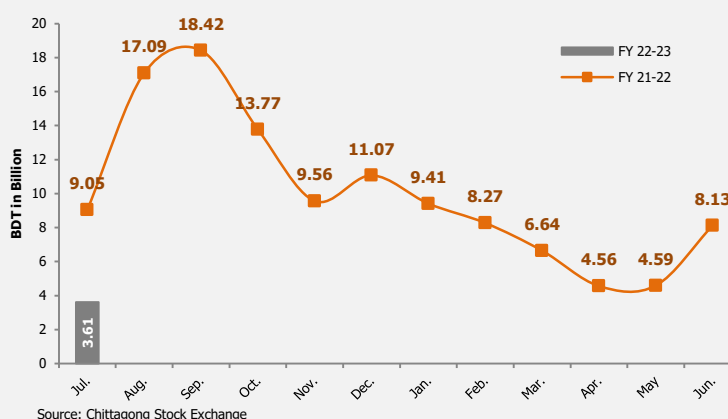


Figure 4 shows the trends in the price-earnings ratio and yield of CSE. The Price-Earning (P/E) ratio of all securities stood at 17.02 at the end of July 2022, which was 15.61 at the end of June 2022, and this ratio was 18.32 at the end of July 2021. The yield of all securities increased to 3.72 at the end of July 2022, which was 3.60 at the end of June 2022 and 3.80 at the end of July 2021.

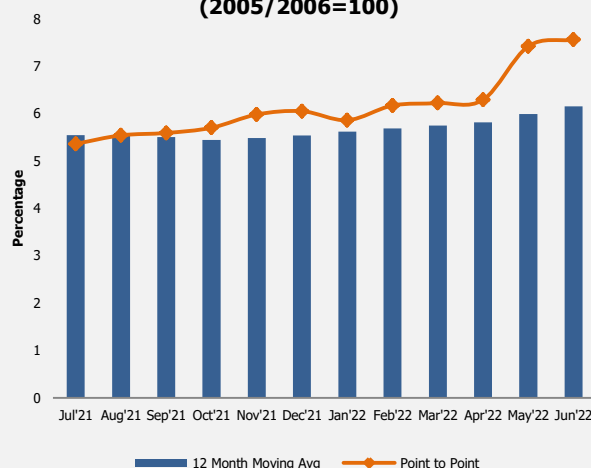
Real Sector Update

Inflation rate in the last few months had experienced an increasing movement due to various external factors in the national and international market like impact of Covid-19 pandemic & Russia-Ukraine war. In June 2022, the twelve month moving average and point to point inflation increased to 6.15% & 7.56%, respectively. The increasing stride of inflation had been slow during October 2021 which accelerated after February 2022.

In June 2022, food inflation in urban & rural also increased significantly which stood at 4.14% & 6.04%, respectively. Moreover, non-food inflation in urban & rural also leaped to 6.59% & 5.46% during this month. Thus, the national inflation rate followed an increasing form standing at 5.64%.

The categories of non-food items like Clothing & Footwear, Gross Rent, Fuel & Lighting, Transportation & Communications, Recreation, Entertainment, Education & Cultural Services and Miscellaneous Goods and Services had experienced a significant increase in monthly percentage of CPI compared to items like Furniture & House equipment and Medical Care & Health Expenses.

Figure 1. Twelve Months Average and Point to Point CPI Inflation, Bangladesh (2005/2006=100)



Source: Bangladesh Bureau of Statistics

Table 1. National, Urban, and Rural CPI Inflation, Bangladesh (2005/2006=100)

Month	National			Urban			Rural		
	General	Food	Non-Food	General	Food	Non-Food	General	Food	Non-Food
Jul'21	5.53	5.70	5.28	5.72	5.76	5.68	5.43	5.67	4.98
Aug'21	5.68	6.08	5.05	5.81	6.06	5.51	5.60	6.09	4.70
Sep'21	5.97	6.50	5.12	5.98	6.26	5.65	5.96	6.61	4.71
Oct'21	6.44	7.34	5.00	6.03	6.48	5.51	6.67	6.01	4.62
Nov'21	5.52	5.73	5.19	5.47	5.11	5.90	5.55	5.60	4.65
Dec'21	5.29	5.34	5.21	5.31	4.77	5.93	5.28	5.62	4.67
Jan'22	5.02	5.23	4.69	5.05	4.72	5.41	5.00	5.46	4.15
Feb'22	5.32	5.42	5.17	5.30	4.76	5.92	5.33	5.72	4.61
Mar'22	5.47	5.51	5.39	5.31	4.80	5.87	5.55	5.83	5.03
Apr'22	5.56	5.57	5.55	5.39	4.87	5.96	5.66	5.88	5.25
May'22	5.26	4.87	5.86	5.24	4.03	6.56	5.28	5.25	5.33
Jun'22	5.64	5.45	5.94	5.29	4.14	6.59	5.84	6.04	5.46

Source: Bangladesh Bank

Table 2. Monthly Percentage Change in Consumer Price Index (Point to Point Inflation, National) (2005/06=100)

Month	Non-Food	Clothing & Footwear	Gross Rent, Fuel & Lighting	Furniture & House equipment	Medical Care & Health Expenses	Transportation & Communications	Recreation, Entertainment, Education & Cultural Services	Misc. Goods and Services
Jul'21	5.36	0.37	0.22	0.36	0.22	1.10	0.24	0.30
Aug'21	5.54	1.05	0.41	0.59	0.08	0.41	0.24	0.41
Sep'21	5.59	1.06	1.12	1.54	0.09	0.64	1.05	0.71
Oct'21	5.70	0.27	0.44	0.05	0.04	0.85	0.08	0.18
Nov'21	5.98	0.72	0.35	0.34	0.04	2.30	0.27	0.34
Dec'21	6.05	1.15	0.11	0.25	0.03	0.29	0.39	0.30
Jan'22	5.86	0.37	0.35	0.57	0.11	0.45	1.06	1.37
Feb'22	6.17	0.60	0.05	0.48	0.05	0.45	0.30	0.41
Mar'22	6.22	0.56	0.22	0.45	0.14	0.24	0.58	1.18
Apr'22	6.29	0.88	0.21	0.75	0.27	0.61	0.80	0.67
May'22	7.42	0.37	0.15	0.76	0.18	0.30	0.43	0.36
Jun'22	7.56	0.51	0.20	0.80	0.22	1.23	1.36	1.35

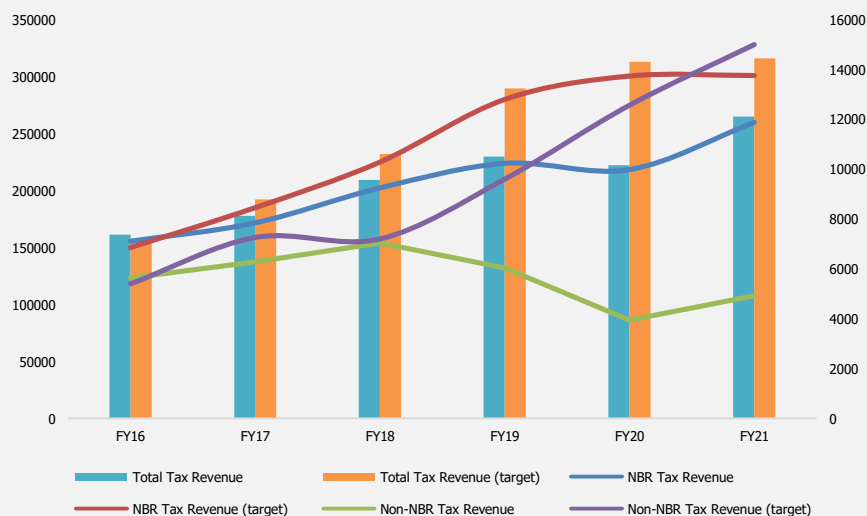
Source: Bangladesh Bureau of Statistics

Fiscal Sector Update

The NBR tax revenue collection data shows during July-May of FY22 stood at Taka 252920.76 crore which was higher by Taka 32848.23 crore or 14.93% against the collection of Taka 220072.53 crore during July-May of FY21 (Table 1). This collection was 76.64% of the target set for FY22.

Total tax revenue (NBR & Non-NBR) during July-March of FY22 stood at Taka 208982.07 crore which was higher by Taka 26921.19 crore or 14.79% against the collection of Taka 182060.87 crore during July-March of FY21 (Table 1). The collection of total tax revenue during July-March of FY22 was 60.40% of the fiscal year's target of Taka 346000 crore.

Figure 1. Yearly NBR Tax Revenue

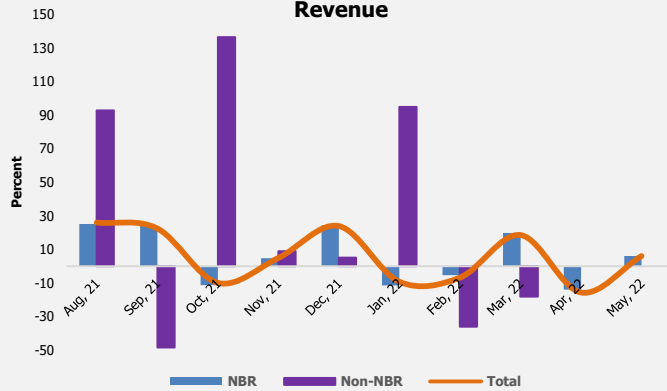


Source: Bangladesh Bank

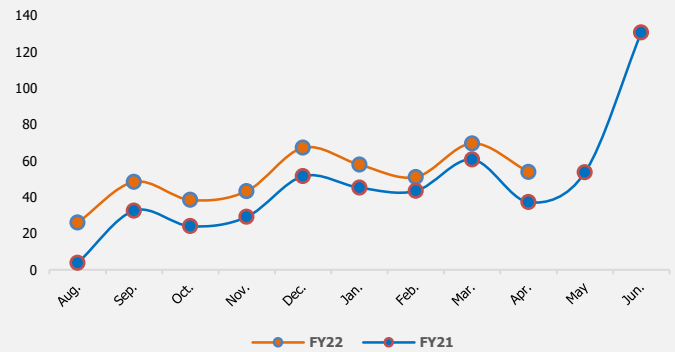
Table 1: NBR and Non-NBR Tax Revenue, FY21 & FY22

Month	(Taka in Crore)													
	NBR Tax Revenue (FY22)					Non NBR Tax Revenue	Total NBR Revenue Collection	NBR Tax Revenue (FY21)					Non NBR Tax Revenue	Total NBR Revenue Collection
	Customs duties	VAT	Income Tax	others	NBR Tax Revenue Total			Customs duties	VAT	Income Tax	others	NBR Tax Revenue Total		
	1	2	3	4	5=(1+2+3+4)	6	7=(5+6)	1	2	3	4	5=(1+2+3+4)	6	7=(5+6)
July	1933.39	6777.31	4711.41	1932.22	15354.33	217.21	15571.54	1987.76	6542.80	4116.05	2108.06	14754.67	328.31	15082.98
August	2556.05	8184.75	5242.96	3210.85	19194.61	418.54	19613.15	1979.39	6557.52	4662.82	2206.44	15406.17	238.93	15645.10
September	3230.27	9106.30	7917.00	3548.64	23802.21	215.60	24017.81	2316.65	7519.43	7103.89	2890.52	19830.49	327.88	20158.37
October	2723.41	8996.16	5669.14	3728.21	21116.92	509.62	21626.54	2207.19	7699.80	4804.72	3427.07	18138.78	295.73	18434.51
November	2876.28	9479.29	5971.02	3801.27	22127.86	554.86	22682.72	2336.53	7987.24	5265.30	3475.50	19064.57	309.71	19374.28
December	2907.56	9616.95	9859.65	5128.61	27512.77	582.98	28095.75	2349.64	8256.22	8260.45	4440.01	23306.32	418.15	23724.47
January	2953.04	9929.24	7036.32	4429.31	24347.91	1136.25	25484.16	2523.43	8518.71	6563.77	4026.06	21631.97	588.72	22220.69
February	3080.29	9677.34	6446.87	3815.06	23019.56	726.10	23745.66	2617.89	8362.57	5882.03	4076.28	20938.77	885.98	21824.75
March	3238.22	9882.06	10252.53	4177.11	27549.92	594.83	28144.75	3142.97	8987.72	8907.43	4147.54	25185.66	410.07	25595.73
April	3153.48	10226.88	6003.38	4346.76	23730.50	-	23730.50	2819.02	8553.17	3829.80	4124.13	19326.12	255.72	19581.84
May	3014.08	10358.01	7411.86	4380.22	25164.17	-	25164.17	2661.30	9621.85	6003.47	4202.39	22489.01	301.77	22790.78
June	-	-	-	-	-	-	-	3514.14	13451.52	19488.51	3355.10	39809.27	557.34	40366.61
Total	31666.07	102234.29	76522.14	42498.26	252920.76	4955.99	257876.75	30455.91	102058.55	84888.24	42479.10	259881.80	4918.31	264800.11

Source: Bangladesh Bank

Figure 2. Trends of Growth of Total NBR Tax Revenue

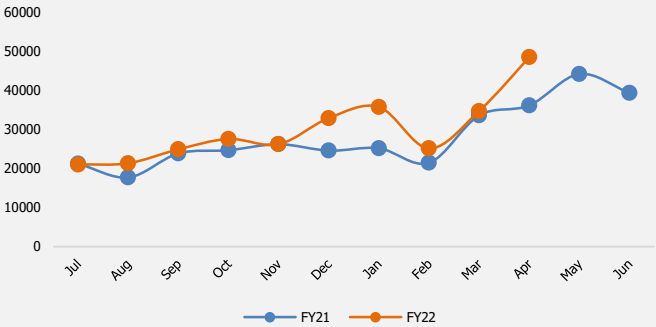
Source: Bangladesh Bank

Figure 3. Cumulative Growth of NBR Total Revenue

Source: Bangladesh Bank

Figure 2 shows the trends of Month-over-Month growth of NBR tax revenue. On the other hand, Figure 3 shows the cumulative growth of NBR total revenue (sum of NBR tax and non-NBR tax) where the cumulative growth up to April of FY22 was 53.93%, which is 16.69% more than the April of the previous FY21. This cumulative growth was 37.24% up to April of FY21.

Figure 4. Total Expenditure



Source: Bangladesh Bank

The total government expenditure in April, FY22 was Taka 48542 crore, which is 34.15% more than the previous year (FY21) in the same month Taka 36186 crore.

World Business and Economy in Brief

Germany upbeat on energy security; Russia cuts gas to France. German Chancellor Olaf Scholz said on 30th August that his country is well-prepared to tackle a possible energy shortage because of Russia's squeeze on European gas supplies, even as fears grow about the juggernaut of rising prices that will likely hit consumers across the continent this winter.

First Ukraine grain ship for Horn of Africa reaches Djibouti. The first ship carrying grain from Ukraine for people in the hungriest parts of the world has docked at the Horn of Africa port of Djibouti as areas of East Africa are badly affected by deadly drought and conflict.

China shuts down world's largest electronic market. China's technology hub Shenzhen on Monday ordered the closure of the world's largest electronics wholesale market to contain a recent spike in coronavirus cases in the southern city, amidst a call by a leading Chinese think tank for a change in the country's 'zero-COVID' policy that it said was causing widespread disruption of business.

Floods to cause \$4 bn loss to Pakistan's economy: Report. The unusual heavy monsoon rains and devastating flash floods are estimated to cost cash-strapped Pakistan's economy over USD 4 billion in the current fiscal year as the calamity has badly hurt agricultural activities in Sindh and Balochistan.

Ukraine, Russia trade more blame on threats to N-plant. Concern about the potential for a radiation leak at Europe's largest nuclear power plant persisted as Ukrainian authorities said that Russian forces fired on areas just across the river and Russia claimed Ukrainian shelling hit a building where nuclear fuel is stored.

Israel's premier urges West to reject Iran nuclear deal. Israel's prime minister called on President Joe Biden and Western powers to call off an emerging nuclear deal with Iran, saying that negotiators are letting Tehran manipulate the talks and that an agreement would reward Israel's enemies.

Spain evacuates 294 more Afghan workers, families. A plane provided by the Spanish government has brought 294 Afghan refugees via Pakistan to Spain, bringing to 3,900 the number of people evacuated by Madrid since the Taliban takeover of Afghanistan last year.

Lanka continues to suffer economic crisis. As Sri Lanka continues to suffer its worst financial slump, staple foods have become unaffordable, severe malnutrition is among the highest in the region and it is the poorest, most vulnerable girls and boys who are paying the steepest price, UNICEF has warned.

UNICEF Regional Director for South Asia, George Laryea-Adjei said nascent food insecurity has compounded the social issues already plaguing the island nation.

In race to win, UK Conservatives accused of ignoring crises. As Britain swelters through a roasting summer, and braces for a cold financial reckoning in the fall, calls for the Conservative government to act are getting louder.

But the Conservatives are busy choosing a new leader, through a prolonged party election whose priorities often seem remote from the country's growing turmoil. Britons' energy bills have soared — and further hikes are coming — as the war in Ukraine squeezes global oil and gas supplies. The Bank of England is predicting a long, deep recession later this year alongside 13% inflation. Meanwhile, temperatures in Britain hit 40 degrees Celsius (104 degrees Fahrenheit) in July for the first time ever, and millions are facing limits on water use as England's green and pleasant land dries to a desiccated brown.

UK inflation likely to hit 18% next year, Citi Bank forecasts. British consumer price inflation is set to peak at 18%- nine times the Bank of England's target - in early 2023, an economist at US bank Citi said, raising forecast once again in the light of the latest jump in energy prices.

Bangladesh Business and Economy in Brief

The government of Bangladesh will set the prices of 9 daily required groceries. The government will set reasonable prices for nine products, such as flour, coarse rice, edible oil, sugar, lentils, and so on, by mid-September in a bid to bring stability to the country's market.

Consumers must pay more than the government-set price for a 12-kg LPG cylinder. Bangladesh Energy Regulatory Commission (BERC) announced the new cost of LPG for this month on 2 August. The price for a 12-kg cylinder of LPG was set at Tk.1,219, whereas it sold for Tk.1,254 last month.

Expatriates sent \$1.73 billion of remittances from August 1 to 25, 2022. During the 1-25 August period, Islami Bank Bangladesh Limited received \$356.3 million of remittance, Agrani Bank \$110 million, City Bank \$109.4 million, Pubali Bank \$95.4 million, Dutch-Bangla Bank \$95.3 million, and Rupali Bank received \$93.5 million in remittance.

Inflation to ease within the next 2-3 months, expect the governor of Bangladesh Bank (BB). The governor hoped the country's general point to point inflation would likely to ease within the next two to three months.

The government has reduced to BDT.5 per liter of fuel oil. Earlier, on 6 August, the government hiked the price of diesel from Tk.34 to Tk.114 per liter while octane price was hiked from Tk.46 to Tk.135, and petrol from Tk.44 to Tk.130.

The government on 29th August decided to cut the prices of fuel oils (diesel, petrol, and octane) by Tk.5 per liter, a day after the import and advance duty on diesel were reduced to 5 percent respectively.

Dealers to lose license for artificial fertilizer crisis. Dealers will lose their trade license if they try to create a fertilizer crisis in the country as there is enough of it in stock to meet the demand until January next year, Declared by Agriculture Minister Muhammad Abdur Razzaque.

Bangladesh Bank issues show-cause notice to six bank MDs. Bangladesh Bank (BB) has sought explanations from the managing directors (MD) of six local and foreign banks for destabilizing the market by making an excessive profit from dollars. Earlier, BB removed the treasury chiefs of those banks. The local banks on the list are Dutch-Bangla Bank Limited, South East Bank, Prime Bank, The City Bank, and BRAC Bank, while the only foreign bank on the list is Standard Chartered Bank.

S&P keeps BB- rating unchanged for Bangladesh. Global rating agency Standard and Poor's today maintained its long-held BB- rating for Bangladesh despite the ongoing volatility in the country's external sector.

Farmers in Lalmonirhat losing interest in tea cultivation. Farmers in Lalmonirhat are losing interest in tea cultivation as a lack of processing facilities in the area is preventing them from raising enough capital to sustain the business, according to growers and traders. As such, some farmers are saying they will cut down their tea trees and go back to

Daraz to invest Tk. 1,000 crore in Bangladesh in 4 years. Daraz intends to invest Tk 1,000 crore in Bangladesh in the next 3-4 years to ramp up its operation by building infrastructure and an ecosystem.



Fruit festival Celebration at ECRL head office with our honorable Managing Director & CEO **Mr. N K A Mobin, FCA, FCS, CFC** and our honorable Director & COO, **Mr. Arifur Rahman, ACA, FCCA**.



Our honorable Managing Director & CEO of ECRL **Mr. N K A Mobin, FCA, FCS, CFC** attended 19th AGM of Gulshan Society held on 8th August 2022 as the elected Treasurer of the Society. Dr ATM Shamsul Huda, ex CEC attended as the current elected President and Barrister Shukla Sarwat Siraj attended as the elected Secretary General and me as the elected Treasurer of the Society.



Our honorable Managing Director & CEO of ECRL **Mr. N K A Mobin, FCA, FCS, CFC** attended a round table discussion on "Monetary Policy Statement (MPS) of 2022-23 announced by Bangladesh Bank on last day of the last financial year, June 30, 2022 held at Kawran Bazar organized by the Institute of Chartered Accountants of Bangladesh (ICAB)



Dr. Jamaluddin Ahmed, FCA
Chairman

Dr. Jamaluddin Ahmed is one of the sponsor directors of Emerging Credit Rating Ltd. (ECRL). He is also the Chairman of the company. Professionally a Chartered Accountant and the fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1990; he has been awarded PhD in Accounting from Cardiff Business School, University of Wales, under Commonwealth Scholarship in 1996, and secured First Class in Masters Degree and Bachelors with Honours from Accounting Department of Dhaka University.

He has many years of experience in the financial sector of Bangladesh and has used his expertise and experience to carryout numerous research work and publications. He is the Audit Engagement Partner of 10 banks and leasing companies, 4 energy companies, 10 listed non-bank companies and tax advisor for many local and multinational companies. He also performs the following responsibilities:

- The Board of Directors of Janata Bank Limited (2008-2013), Essential Drugs Limited, Power Grid Company of Bangladesh Limited.
- The Chairman of Board Audit Committee of Janata Bank Limited (2008-2013) and Power Grid Company of Bangladesh Limited.
- The Member of Board of Directors and Chairman of Audit Committee of Grameen Phone Limited, Advisor to the Board and Audit Committee of Bangladesh Bank.
- Previously He had been the representation of ICAB to the Board of Dhaka WASA, Dhaka Stock Exchange Ltd, Consultative Committee at the Security and Exchange Commission, Bangladesh Telecommunication Company Limited.
- From 1999 to 2013 he was a partner at Hoda Vasi Chowdhury & Co., An Independent Firm of Deloitte Touche & Tohmatsu. He has taken a number of training courses in the power and energy sector and has completed assignments at numerous banks.



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, FCCA, ACA,
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 also a Certified Sharia Adviser & Auditor (CSAA). 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. Rahman is qualified as a chartered accountant from the institute of the Institute of Chartered Accountants of Bangladesh (ICAB).



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. 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. Al Mamun
Research Fellow

Mr. Al Mamun is a Research Fellow at ECRL, working on different issues related to macroeconomic analysis, industry research, data bank development, project management, and the financial & banking sector. In addition, he is also interested in working on macroeconomic policies, energy, and environmental-related issues.

Mr. Mamun also served as a Research Fellow at the Center for Policy and Economic Research (CPER). He played a remarkable role in the industry, labor market discrimination, poverty, international trade, sustainable development, etc.

Mr. Mamun completed an undergraduate and postgraduate program in Economics from East West University, Bangladesh. He also obtained an advanced degree in Statistics from the same university.



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. Md. Asaduzzaman
Research Analyst

Md. Asaduzzaman accomplished his Master of Business Administration (MBA) in Finance and Banking from Manarat International University, BD and Bachelor of Business Administration (BBA) major in Finance and Banking from the same university. He has working experience of more than two and half years on different projects, financial reporting and credit rating assessments.

He joined ECRL in 2022 and collaborated with credit rating corporate clientele as well as research team 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 corporations.

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 Berhad.

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.



www.emergingrating.com



www.facebook.com/emergingrating



www.linkedin.com/company/emerging-credit-rating-limited

Dhaka Office

Shams Rangs, House 104,
Park Road
Level-A1, A2 & A5
Baridhara, Dhaka-1212
Tel: +880 2222260911,
+880 2222260897
Fax: +880 2222260828
Email: info@emergingrating.com

Chattogram Office

Al Madina Tower, 6th Floor
88-89, Agrabad C/A, Chittagong
Tel: +880 1833 330059,
+880 1833 330061

Bogura Office

MA Complex, 3rd Floor, East
Side. Tin Matha Railgate.
Bogra- 5800

Khulna Office

Mollick Shopping Complex
99 Khan -a- Sabur Road,
Khulna-9100
Tel: +880 1833 330060

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.

For more Monthly Update
please scan the following
QR code

