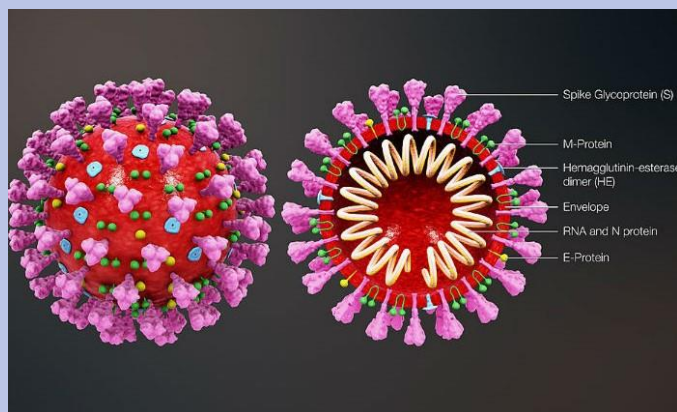


Economy at a glance

Covid-19 may rob millions of jobs

The coronavirus disease (Covid-19) fallout has turned alarming across the world. According to the United Nations (UN), the coronavirus spread-out will significantly increase global unemployment and underemployment. This may leave up to 25 million more people out of jobs across the world. And this will dramatically slash global workers' incomes. In a study, the world body found that even in the best-case scenario, 5.3 million more people will be pushed into unemployment by the crisis. The study said that some 24.7 million more people will become jobless, on top of the 188 million registered as unemployed in 2019.



Self-employment in developing countries like Bangladesh, often serves to cushion the impact of economic shifts. But it might not do so this time due to severe restrictions being placed on the movement of people and goods. Reduction in access to work will also mean large income losses for workers.

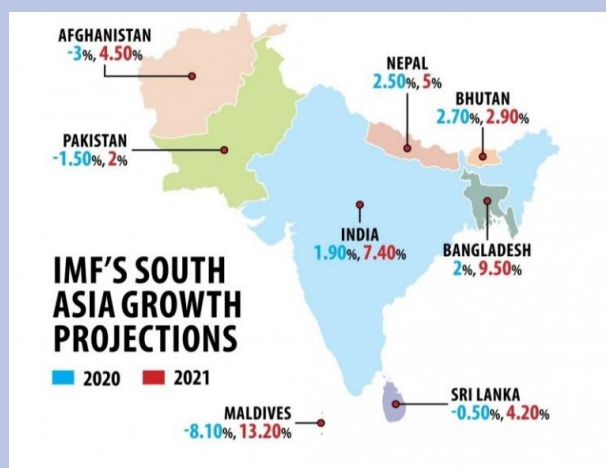
Impact of Covid-19 on Bangladesh Economy

Since March 26, Bangladesh has virtually shut its entire economy to flatten the curve on coronavirus. A grim picture was painted by the Manila-based development lender Asian Development Bank (ADB) considering the current pandemic. For Bangladesh, the ADB estimates that,

- The pandemic is expected to drive an additional 7.7 per cent of the population or close to 13 million people into poverty.
- The gross domestic product (GDP) growth rate is projected to decline to 3.8 per cent this fiscal year 2020 from 8.2 per cent in fiscal 2018-19.
- Export growth rate is expected a decline of 19.8 per cent in fiscal 2019-20.
- Total remittances are expected to stagnate in fiscal 2019-20 and drop sharply in fiscal 2020-21.
- The fiscal deficit is likely to rise to 7.5 per cent of GDP in fiscal 2019-20.
- The lack of social safety net coverage will lead to dire consequences for the more than 20 per cent of the population who live below the poverty line and the many newly jobless who will join them.
- By sector, the industry is expected to decline by 2 per cent (from 12.7 per cent in fiscal 2018-19) and services by 3.5 per cent (from 6.8 per cent in fiscal 2018-19).

GDP growth to plunge to 33-year low this year

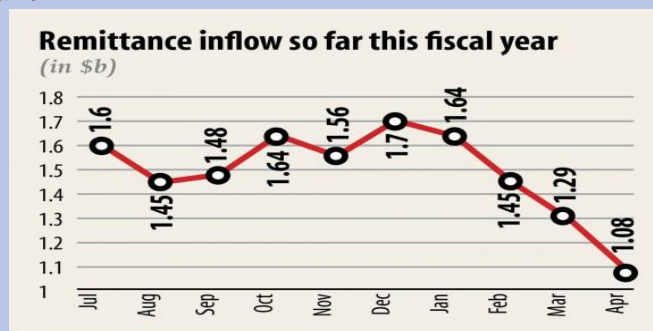
This year, the GDP growth rate would be 2 per cent for Bangladesh, the lowest since 1988, said the Washington-based lender in its biannual World Economic Outlook (WEO), published on 14th April, 2020. It comes four days after the World Bank forecasted that the country's GDP growth would be between 2 per cent and 3 per cent this fiscal year, in a stunning decline from the 8.15 per cent logged in the last fiscal year. But if the International Monetary Fund's latest projection is considered, 2021 definitively promises to be a better year, with GDP growth set to be 9.5 per cent.



It is not only Bangladesh that has been bearing the brunt of the deadly novel coronavirus. In South Asia, only Bhutan, with a forecasted growth rate of 2.7 per cent and Nepal, with projected GDP growth of 2.5 per cent, would be ahead of Bangladesh in 2020. India would grow only by 1.9 per cent. Pakistan would contract by 1.5 per cent and Sri Lanka by 0.50 per cent. The economies of Afghanistan and the Maldives will also contract.

Remittance's depressing descent in 2020

Families of thousands of Bangladeshi migrant workers are in the boat of uncertainty as the novel virus is burning through global economies, upending both lives and livelihoods. In April, inflows hit a 34-month low of \$1.08 billion, down 25 per cent from a year earlier.



April's inflows take fiscal 2019-20's tally to \$14.86 billion, up 11.77 per cent year-on-year, which isn't all too bad. But there is no denying that going forward, the amount will only contract, as the Gulf nations, where 75 per cent of the migrant workers reside, are pushing to return the manpower to their respective countries, as their economies are taking a massive beating for the nosediving oil prices for a demand crunch and supply glut.

Bangladesh 9th strongest economy

Bangladesh ranks ninth in a global league table of 66 emerging economies measured according to their financial strengths to cope under the strain of Covid-19 outbreak. The Economist, a globally acclaimed magazine for economic and political analyses, placed Bangladesh even before China, which has been ranked 10th, for Bangladesh has fared relatively better in all indicators. Botswana topped the list and it was followed by Taiwan, South Korea, Peru, Russia, the Philippines, Thailand and Saudi Arabia. The ranking examines the economies across four potential sources of peril -- public debt as percentage of GDP, foreign debt (both public and private), cost of borrowing and reserve cover. Bangladesh is not weak in terms of any of the four criteria, according to the magazine.

Export earnings witness 82.85pc negative growth in April

The country's single month merchandise shipments in April this year witnessed 82.85 per cent negative growth to only US\$520.01 million, the lowest during the current fiscal year, according to data. Export earnings were \$3.03 billion in April'19 and \$2.73 billion in the last month of the current calendar year. The overall export fell by 13.09 per cent to US\$29.49 billion in the first ten months of the current 2019-20 fiscal year (FY), against \$33.93 billion in the corresponding period of last FY. The earnings also fell short of the target set for the period by 21.24 per cent, according to the provisional data of the state-run Export Promotion Bureau (EPB).

REAL ESTATE NEWS

Flat sales slow to a trickle

The country's real estate sector, which has been witnessing sluggish sales for a few years for many challenges, is likely to face further difficulty as the demand for housing would drop because of unprecedented economic uncertainty brought on by the pandemic. The demand for flats will decline this year after showing some improvement last year, realtors say. According to them, prospective clients don't want to spend money for property during any difficult time. Because of the lockdown, around 6,000 projects of the REHAB members are in limbo as construction workers and other employees have returned home. The NBFIL depends on a dozen of reputed realtors for home loan borrowers. However, the market is dull as renowned realtors that provide clients to NBFIL are not getting bookings at this moment. On the other hand, the industry's allied sectors have

NATIONAL HOUSING NEWS

NHFIL donates Tk.7.00 lac for Corona Pandemic

National Housing Finance and Investments Limited (NHFIL) has donated Tk.7.00 lac to Bangladesh Leasing and Finance Companies Association (BLFCA) which will be given to the prime minister's Relief and Welfare Fund in an effort to help the government to mitigate the health and financial risk which stems from the coronavirus pandemic.

BB almost doubles funding for SMEs' refinance schemes

The central bank almost doubled the volume of funding of three refinance schemes for small and medium enterprises (SMEs) in order to protect the marginal entrepreneurs from the ongoing economic fallout from the coronavirus pandemic. The interest rate on the schemes was also decreased by 2 percent both for banks and borrowers, according to a central bank circular sent out to all lenders. Under the latest program, the refinance scheme for small enterprises now stands at Tk 1,500 crore, up from Tk 850 crore. The other two schemes, which provide fund to set up agro-based product processing industries in rural areas and for new entrepreneurs in cottage, micro and small enterprises, have been increased to Tk 1,400 crore and Tk 100 crore from Tk 700 crore and Tk 50 crore.

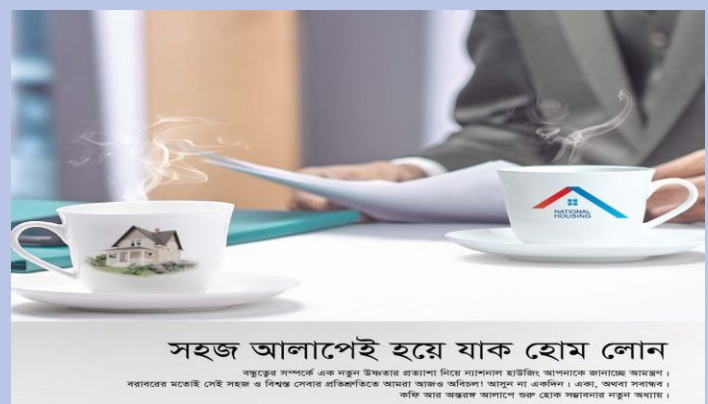
BB confiscates banks' interest income for Apr, May

The central bank on 3rd May directed banks to transfer all interest accrued or to be accrued between April 1 and May 31 this year from all of their loans to an interest-free blocked account, in what can be construed as its boldest move yet amid the pandemic. A blocked account refers to an account that does not allow for the indiscriminate withdrawal but instead has certain restrictions or limitations on when, how much, and by who, capital can be withdrawn. Besides, banks are not allowed to transfer the interest or profits deposited in the blocked account of the borrowers to lenders' income book until further notice, according to a Bangladesh Bank notice. If interests or profits have already been shown as incomes, it has to be adjusted through reverse entry.

also fallen into trouble as the coronavirus compelled the country to go for a complete shutdown, according to sector people.

Construction workers: As informal as ignored

The ongoing shutdown has put informal workers in the construction sector in a tight spot as they are largely dependent on daily wages. There is no exact count of construction sector workers or indeed, of informal workers, in the country. Of these informal workers, around 24.51 lakh work in building construction; 5.75 lakh in specialized construction activities; 14,000 in plumbing, water and sewerage connection; 1.02 lakh in electricity connection and electrical equipment installation; and 7.7 lakh in furniture, according to the Labor Force Survey 2016-17. Not just the Ministry of Labor and Employment, but labor associations, which are vocal about the rights of day laborers, have reportedly failed to support them in their time of need.



সহজ আলাপেই হয়ে যাক হোম লোন

বাংলাদেশের সম্পদের এক নতুন উন্মেষের প্রকাশ্যে নিয়ে দেশবাসীর হাতছাড়া হওয়ায় আমাদের আশঙ্কা।
প্রত্যেকের মতোই সেই সহজ ও বিশ্বস্ত সেবার প্রতিশ্রুতিতে আমরা 'আজও অবিলম্বে'। একই, অথবা সবথেকে।
যদি আর 'আজও' 'আলাপে' 'হোক' হোক সম্ভাবনার নতুন অধ্যায়।

Editorial Committee: Shital Chandra Saha, SVP

Marufur Rahman, DM

Anamica Das, AM

Md. Majharul Alam, AM

National Housing Finance and Investments Limited

Corporate Office: Plot-11A, Road-8, Gulshan-2

Dhaka-1212, Phone: +88 09609 200555