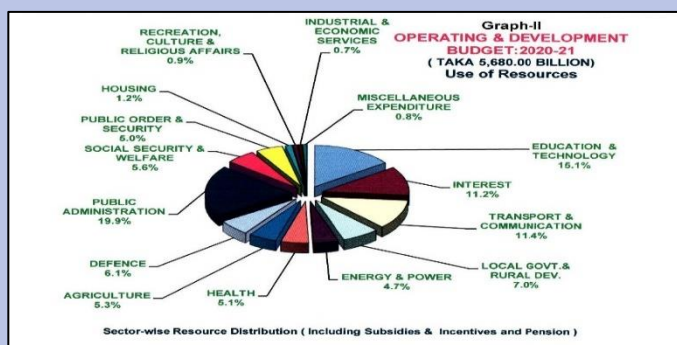
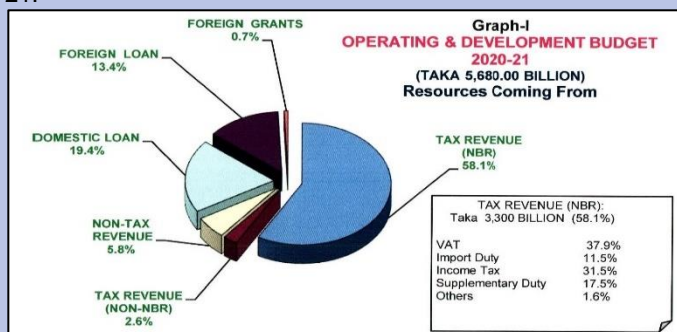


## Economy at a glance

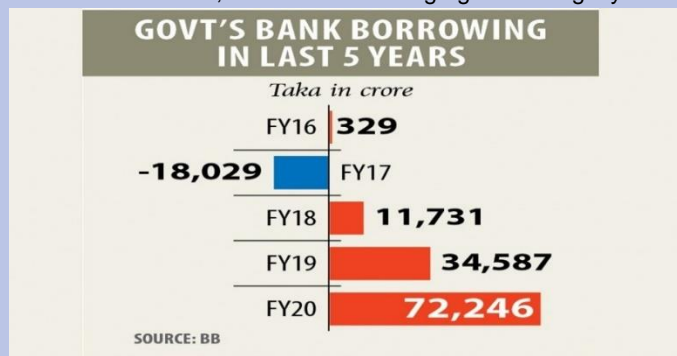
### Budget 2020-21: In brief

Finance Minister AHM Mustafa Kamal has tabled a national budget of Tk 568,000 crore for the FY2020-21, the biggest in Bangladesh's history. Amid uncertainty and bleak future of a global economic recovery, Bangladesh government has set a target of 8.2% gross domestic product (GDP) growth for FY20-21.




### Borrowing from banks doubles

The government borrowed a staggering amount from banks last fiscal year mainly due to the ongoing economic crisis brought on by the coronavirus pandemic, a development that is poised for a macroeconomic imbalance in the country. The government's borrowing increased 109 percent year-on-year to Tk 72,246 crore in FY 2019-20, which is all-time high given a single year.



Revenue collection had faced sluggishness since the inception of last fiscal year, which also compelled the government to borrow heavily from banks. The situation got much worse since April after the government enforced a nationwide shutdown to tackle the spread of the coronavirus. Against the backdrop, the government borrowed Tk 29,020 crore from banks and non-banks in the last quarter of FY20 to meet its expenditure.



**WE DEEPLY MOURN**

Pioneer Leader of Entrepreneurs and one of the legendary personalities in the journey of prosperity of Bangladesh, our beloved guardian and honorable Chairman **Mr. Latifur Rahman** has passed away on July 1, 2020 (Inna Lillahi wa inna ilayhi raji'un). We deeply mourn his passing.

We pray to the almighty to bestow his blessings on the departed soul and express our heartfelt condolences to his family.

**National Housing Finance and Investments Limited**  
www.nationalhousingbd.com

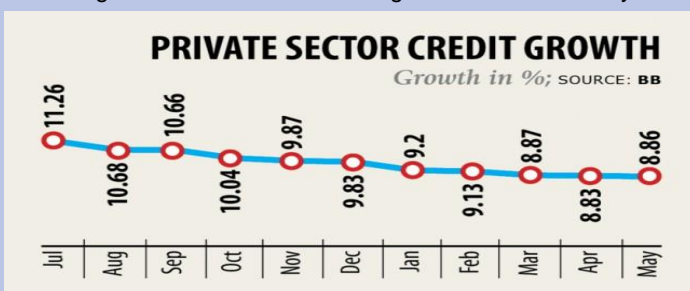
### Latifur Rahman: Passing of an icon

Latifur Rahman, founder chairman and CEO of Transcom Group breathed his last around 11.30 am on July 1, 2020 at his ancestral home in Cumilla, at the age of 75. He was an iconic figure in the business world of Bangladesh and respected by business leaders at the international level. He was renowned for his honesty and ethical business practices. According to eminent citizens, Mr. Rahman's departure is an irreplaceable damage for this country. He will be remembered as one of those rare entrepreneurs who have made remarkable contributions in building the national capital base of the country. He has done that not only by reinvesting his profit in the country, but also through acquisition of foreign farms.

Mr. Latifur Rahman was the founder chairman of Transcom Group that owns number of companies engaged in businesses of electronics and electrical goods, foods, beverages, pharmaceuticals, tea plantation, consumer goods, trading and distributions, print media and FM radio, currently employing over 10,000 people. He was the Chairman of National Housing Finance and Investments Limited and sponsor shareholder of IDLC Finance Limited, two renowned financial institutions of our country. He was a member of the executive board of ICC-Paris, vice president of ICC-Bangladesh and member of Brac's governing body. Latifur Rahman was also president of the Metropolitan Chamber of Commerce and Industry, Dhaka for seven terms and of Bangladesh Employers' Federation. He was an honouree of "Oslo Business for Peace Award 2012" for his recognition of business ethics and social responsibilities. It is considered the most celebrated recognition in the business world.

### Private sector credit growth increased marginally in May under continuous downtrend

Private sector credit data appears to have gone against the grain in May. For 24 months on the trot, private sector credit growth was lesser than in the previous month. And the trend was expected to continue given the overall doom and gloom on the economy.



But in May, it edged up to 8.86 per cent from 8.83 per cent a month earlier, according to data from the central bank. In May, economic activities started on a limited scale and both the central bank and the government began to release funds from the stimulus packages for businesses. According to experts, banks had started disbursing loans and opening and settling the letters of credit on a limited scale since May, which also helped push the credit growth.

## BB cuts cash reserve ratio for non-banks

The central bank on 21<sup>st</sup> June, cut the cash reserve ratio (CRR) for non-bank financial institutions (NBFIs) in order to help the cash-strapped entities tackle the ongoing economic fallout brought on by the coronavirus pandemic. The regulator of the banking sector reduced NBFIs' CRR by 100 basis points to 1.50 per cent, a move that would free up Tk 305 crore for them. NBFIs will have to maintain at least 1.5 per cent as CRR on a weekly basis and the ratio will not decline below 1 per cent under any circumstances. But the banking watchdog has not revised a 5 per cent statutory liquidity ratio (SLR) that NBFIs had earlier maintained. CRR is a part of SLR.

## Remittances hit record \$18.20b in FY20

Remittance hit an all-time high of \$18.20 billion in the just-concluded fiscal year, giving much-needed breathing space to the government to manage the macroeconomic state of affairs hit hard by the ongoing financial whiplash.



The inflows were 10.87 per cent higher than in fiscal 2018-19, according to data from the central bank. Expatriate Bangladeshis sent home \$1.83 billion in June, the highest in a single month, eclipsing the \$1.74 billion that flowed in May last year.

## REAL ESTATE NEWS

### Government halves flat and land registration fees

The government halved registration fees of land and flats, with effect from July 5<sup>th</sup>, 2020. Now, buyers have to pay only 1% of the document price of their lands or flats as registration fees. It

## NATIONAL HOUSING NEWS

### Doa Mahfil held for late Latifur Rahman

A doa mahfil held at the Corporate Head Office of National Housing Finance and Investments Ltd. (NHFIL) on 2<sup>nd</sup> July in remembrance of Mr. Latifur Rahman, Chairman of NHFIL and founder chairman and CEO of Transcom Group. Honorable Managing Director along with all top executives of NHFIL prayed for eternal peace of the departed soul and conveyed deep sympathy to the bereaved family. They also remembered Mr. Rahman's outstanding contribution towards the development of business, industry and investment as well as employment opportunities in the country with his hard work, dedication, integrity throughout of his life.

## Sales of savings tools nosedive

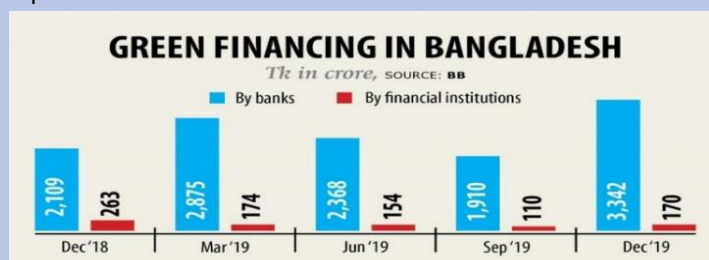
Net investment in national savings certificates (NSCs) dropped sharply in the first nine months of the current fiscal year – an indication that can be viewed as a possible roadblock for the government to manage its bulging deficit smoothly. Between July and March, the net sales of savings instruments stood at Tk 11,203 crore, down 71.80 per cent year-on-year, according to data from the Department of National Savings (DNS).



Savers now have to require a tax identification number to invest in the tools. Moreover, the government now monitors the investment in the saving tools by using an online management system, which is another reason behind the fall in the investment in the segment.

## Bangladesh among top three Asian nations promoting green financing

Green financing is rapidly gaining traction in the Bangladesh market thanks to the country's specific focus on issuing green loans, according to an International Finance Corporation (IFC) report.



The report by IFC-facilitated Sustainable Banking Network (SBN) shows that Bangladesh, Mongolia, and Nepal have identified green financial services as a crucial aspect for ensuring sustainable development in financial sectors.

was 2% earlier. The Ministry of Law, Justice and Parliamentary Affairs recently issued a circular in this regard. However, the minimum registration fee, the circular said, would be Tk100 in case of land price below Tk10,000. Besides, stamp duty fees also decreased to 1.5% from existing 3%, the circular mentioned.

