

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY		
1.53%	1.49%	\$1,954.90	\$45.13	0.46%	0.83%	0.38%	2.34%	83.95	98.53	109.04	11.89		
4,785.04	8,236.81	(per ounce)	(per barrel)	38,050.78	23,096.75	2,571.55	3,438.80	BUY TK	SELL TK	84.95	102.33	112.84	12.51

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Star BUSINESS

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Banks dive into Treasury bills, bonds as interest income falls

AHSAN HABIB

Listed banks increased their investment in government and corporate bonds, securities and stocks in the second quarter of 2020 to offset the loss in interest income caused by the ceiling on lending rates.

Their investment in bonds and other securities rose 8.84 per cent to Tk 314,747 crore as on 30 June. Investment income surged Tk 842 core, or 49 per cent, to Tk 2,546 crore in the quarter.

The data was calculated based on the half-yearly financial statements of 25 out of 30 banks listed on the Dhaka Stock Exchange. The reports of Al-Arafah, Brac, ICB Islamic, Standard and United Commercial Bank are not available on their websites.

"As the interest rate of Treasury bills and bonds was high and banks did not need to keep provisions against the investment, it was better to invest into these instruments," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The government capped the lending rate at 9 per cent and the deposit rate at 6 per cent on 1 April. As banks have had to comply, the net interest income of the lenders plunged 39 per cent to Tk 3,095 crore in the second quarter.

The spread, the difference between the lending rate and the deposit rate, fell to 2.5 per cent to 2.75 per cent in the April-June quarter due to the single-digit lending rate.

"So, the interest income was expected to receive a major blow," Rahman said.

Although the lending rate went down to 9 per cent, many of the banks could not bring down the deposit rate to 6 per cent. One bank is still offering deposits at 7.5 per cent, according to Rahman.

As Bangladesh's trade with the rest of the world plummeted during the quarter because of the

coronavirus pandemic, banks' earnings from commissions and charges also fell.

The commission and charge income dropped 24 per cent year-on-year to Tk 1,110 crore. The profits declined 35 per cent to Tk 1,263.97 crore in the second quarter due to the lower interest income and commission on their services.

Bangladesh's export earnings plunged 16.93 per cent to \$33.67 billion in the just-concluded fiscal year, the lowest in five years, as the pandemic brought global trade to its knees.

"Some banks will try to increase their investment in Treasury bills and bonds to make profits but they will have to expand their loan books because the interest rate on government bills and bonds has already been cut," Rahman said.

The interest rate on Treasury bills and bonds came down to 8.1 per cent from 9 per cent.

The current half of the year would be more challenging as the two quarters will suffer from the problem of the lower interest income, Rahman said, adding that banks saw a higher interest income in the first quarter.

"Moreover, the country has been affected by floods and we still don't know when the

pandemic will pass."

The banking sector's future will also hinge on the orders the garment sector would receive in the spring.

A top official of another bank, which has increased investment in bonds and securities significantly, said as the outbreak of coronavirus was getting out of control during the second quarter, there were no other options but to raise investment in bonds, securities and some other safe instruments.

"Most of the banks did this."

Of the 25, 19 banks bought more bonds and securities, but this did not spare them from losses.

"We failed to halt the profit fall during the period. Profits of a bank can't be ensured from these investments alone," the banker said.

The stock market was not the beneficiary during the period either.

DSEX, the benchmark index of the Dhaka Stock Exchange, dropped 0.47 per cent to 3,989 on 30 June compared with 25 March.

"The stock market was riskier, so we were not interested in investing in the speculative market. But now we are putting some money into the market," the banker said.

Kamal lets rip at CPD for questioning GDP figure

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal yesterday ripped into the observations of the Centre for Policy Dialogue (CPD) about the country's economic growth for the just-concluded fiscal year.

"The CPD guesstimates," he said, at a virtual meeting with income tax officials.

On Sunday, the CPD raised questions over the economic growth figure of 5.24 per cent estimated by the Bangladesh Bureau of Statistics (BBS) for fiscal 2019-20.

The obvious repercussions of the pandemic on the economy were not adequately reflected in the provisional GDP growth estimate released by the statistical agency last week, the think-tank said in its review.

Economic growth figures are used as a tool to gain leverage in politics, said CPD Executive Director Fahmida Khatun at a virtual press briefing on Sunday.



AHM Mustafa Kamal

But Kamal said: "We did not say that we have achieved 8.2 per cent GDP growth; we said that we achieved 5.2 per cent growth based on data, not based on assumption."

"CPD could have raised questions had we said that we achieved 8.2 per cent growth rate. The whole world believes the figures we come up with. CPD may not believe the figures," he added.

The BBS estimate beat forecasts by the Washington-based multilateral lenders World Bank and International Monetary Fund that the economy would grow between 1.6 per cent and 3.8 per cent in fiscal 2019-20 for the pandemic-whiplash.

The Asian Development Bank said the Bangladesh economy would expand at 4.5 per cent while the CPD earlier projected that the GDP growth would be no more than 2.5 per cent.

"You can realise whether the economy is growing or not just by looking at rivers, canals, roads, industries and the rural economy. You don't need mathematics for this," Kamal said.

The economic figures are given based on two things: one is an assumption and the other is based on data. The BBS presents figures on various economic sectors based on data, Kamal said. Whenever a budget is around, CPD makes observations and this has been going on for a decade.

"We are the raw materials for the CPD. CPD is engaged in commerce based on the data we provide. It is their business and it is an easy business. However, whenever we said something, it turned out to be true in the end."

The finance minister alleged that CPD does not see power plants, mega projects and revenue generation.

The revenue generated in the last fiscal year almost the same as in the previous year, Kamal said.

"Fiscal 2018-19 was normal. But we faced huge challenges last fiscal year. But the revenue generation fell short by only Tk 5,000 crore from what we achieved in fiscal 2018-19. This shows how much GDP growth the country posted."

Only high-priority projects this fiscal year

Govt instructs ministries and divisions

REJAUUL KARIM BYRON

The government has directed ministries and divisions to pick high-priority projects from the list of the unapproved schemes in the annual development programme as development work has been hamstrung by revenue shortage caused by the coronavirus pandemic.

The country would require Tk 924,203 crore to implement all of the 1,626 ongoing development projects. The government has, however, allocated Tk 204,144 crore for ADP this fiscal year.

"At the current pace of allocation, it would take more than five years to implement the projects," said the planning ministry in a report.

The government has allocated Tk 495,097 crore as of June for the ongoing development projects included in the ADP.

There is a huge difference between the need for financing and the fiscal space, the report said.

The report was presented at a meeting of the secretaries on 10 August.

Planning Minister MA Mannan convened the meeting to prepare a roadmap to ensure full implementation of the ADP this fiscal year after development expenditure fell to a 27-year low last fiscal year.

The ministry said a limited number of projects should be undertaken for the sake of planning and fiscal discipline while adopting a project.

There are 1,347 projects in the current ADP that have not secured any allocation yet.



Most of the times, projects are undertaken without a proper feasibility study and technical design, ignoring instructions from the Executive Committee of the National Economic Council (Ecnc) to do so. As a result, the schemes go through revisions for a number of times during the implementation period.

Sometimes, projects are taken up because of the pressure from influential

groups or politicians and only a small amount is allocated for them every year, said an official of the planning ministry.

"It would not be appropriate to prepare a project for approval if it is undertaken without a feasibility study and technical design," the report said.

A feasibility study may be carried out before a ministry or division initiates an investment project. The ministry or

division may approve a feasibility study involving up to Tk 5 crore.

Sometimes, the project is scaled down and then it gets approval. Later, initiatives have to be taken to revise it when its scope expands during the execution phase.

As a result, ongoing projects are not complete as per the schedule and the progress of the work is interrupted, depriving the people of benefiting from them.

If the cost of projects goes up, it would be logical to implement the approved projects within the deadlines before undertaking any new ones, the report said.

The planning ministry has written to all ministries and divisions, instructing them to take steps to classify the projects as high, medium and low priority.

The ministries and divisions may only assess the high priority projects by taking into consideration the required assets or liabilities of the ongoing projects and the projection on the mid-term budgetary framework.

The ADP has targeted to finish off 381 projects in the fiscal 2020-21.

An inter-ministerial meeting can be called in November or December to ensure adequate or increased financing to complete the projects, the planning ministry report said.

Some 317 projects were up for completion in the last fiscal year. Of them, 137 projects could not be finished because of the coronavirus pandemic.

READ MORE ON B2

READ MORE ON B3



Rawhide traders down in the dumps

Tanners offer low prices to producers, traders

REFAVET ULLAH MIRDHA

Seasonal traders of rawhide have been left disappointed by this year's sales as the price for untanned leather has remained low for two consecutive years now.

During Eid-ul-Azha, a three-day Islamic celebration that began on 31 July, nearly one crore heads of cattle were sacrificed by the general public.

Most of the leftover animal hides are collected by various traders, who then

prepare the skins for sale to tanners or appointed dealers.

However, for the past two weeks, traders at major rawhide markets in Dhaka, Palashbari, Tangail, Mymensingh, Jessore and Chattogram have all reported receiving low prices for the product.

Ful Kumar, a seasonal rawhide trader at the Shambhuganj rawhide market in Mymensingh, had sourced 1,000 rawhides at Tk 500 to Tk 550 per piece from the field level.

READ MORE ON B3

Uber desperate to get its Moto service up and running again

Bangladesh was the fastest growing market for the service before pandemic hits

MAHMUDUL HASAN

With the ongoing coronavirus pandemic continuing to propel contactless transactions, Uber's recent partnership with bKash on enabling automatic trip-end payments is paving the way for a bigger vision for the San Francisco-based tech giant.

Through the partnership, Uber aligned itself one step closer to the "Digital Bangladesh" narrative, Nandini Maheshwari, a director for business development at Uber APAC, told The Daily Star in an interview last week.

Uber and bKash last week announced a partnership allowing riders to pay for their trips using bKash and enabling customers to make transactions without any manual intervention once the bKash wallet is added as a payment method on the Uber app.

"We are very impressed and humbled by what bKash has built. It's truly fabulous."

But this is the first leg of the innovation that Uber has in the works for the Bangladesh market.

"We are committed to evolving our services into what the consumers in Bangladesh want."

Asked if Uber has plans to bring on board the other mobile financial service (MFS) providers of the country like Nagad and Rocket, she answered in the negative.

"Currently, our focus is to grow the adoption of the bKash platform and make it a very, very



Nandini Maheshwari

Uber

successful partnership. We have many other ideas that we want to evolve with bKash."

Asked if Uber has a plan on setting up a payment gateway with a Bangladeshi bank as issues remain over card payments for

Bangladeshi Uber riders when travelling abroad, she responded in the positive.

"I have spent some time broadly on payments in Bangladesh," said Maheshwari, who was an investment banking associate for technology, media and telecom at JP Morgan before taking up the role of business development lead at Uber India in November 2015.

Bangladesh has several restrictions and seeks domestic processing of card payments as opposed to international processing.

"A majority of the 69 countries where Uber has a presence have standard processing that we apply to most markets," she said, adding that Uber was actively working towards localised processing of card payments.

Asked if Uber has a plan to introduce Uber gift cards such that customers can load their accounts on credit so that it can be used to pay for rides when travelling abroad as a workaround to the card problem for Bangladeshi riders, she was not so optimistic.

"Gift cards are a great product. We have those gift cards in several markets around the world, including India, and it went down quite well. We have Bangladesh under consideration."

Normally, gift cards are almost impossible to use outside of the home market. And that is an issue where the central bank guidelines come into play.

READ MORE ON B3

Coronavirus pushes world's leading economies into record slumps

AFP, Paris
The coronavirus pandemic pushed most of the world's major economies into unprecedented contractions in the second quarter, except for China which escaped a recession.

Here are second-quarter changes in gross domestic product (GDP) compared to the previous quarter for the world's top economies. Unless stated otherwise, the figures are from the national statistics institutes.

Japan announced in mid-May that it was already in recession -- two consecutive quarters of contraction -- when first-quarter GDP slid by 0.6 percent after a 1.9 percent drop in the final quarter of 2019.

On Monday the world's number three economy recorded a further slump of 7.8 percent in the April-June quarter, its worst on record, as the coronavirus deepens the country's long-running economic woes.

The UK suffered the worst recession in Europe in the first two quarters of the year, also recording the continent's highest number of coronavirus deaths. GDP fell 20.4 percent in the second quarter after a 2.2 percent drop in the first.

Germany, Europe's top economy was hit less hard by the coronavirus than its neighbours, but still saw its GDP fall by 10.1 percent in the second quarter after a decline of 2 percent in the first. Germany's previous record for a quarterly GDP drop was 4.7 percent in the first quarter of 2009, after the financial crisis of 2008.

France, the eurozone's number two economy was in a longer and stricter lockdown than its eastern neighbour, and second-quarter GDP fell more steeply, by 13.8 percent, after a drop of



AP/FILE
People wearing face masks to protect against the spread of the new coronavirus walk toward the entrance to Tokyo Disneyland in Urayasu, near Tokyo.

5.9 percent in the previous three months.

France's previous all-time worst quarterly blow to output was dealt by a general strike in May 1968.

Italy's growth was impacted very early on by the coronavirus which hit its richest region, Lombardy, particularly hard.

Italian GDP fell by 5.4 percent in the first quarter and then by 12.4 percent in the second.

After a 5.2 percent drop in the first quarter, Spain's economy contracted a further 18.5 percent in the second, notably because of a 60 percent drop in tourism income and a fall by one-third in exports.

The eurozone's overall GDP plunged

12.1 percent in the three months to June, after 3.6 percent in the first quarter, making the second quarter downturn "by far" the worst since statistics agency Eurostat started compiling growth data

for the area in 1995.

The United States, the world's top economy, suffered a 9.5 percent slump in the second quarter following a 1.3 percent drop in the first, according to figures published by the OECD.

The US government also publishes annualised figures (-32.9 percent in the second quarter), a method that is not comparable with most other countries.

China, the world's second-largest economy, may have been where the novel coronavirus originated, but thanks to strict lockdown measures it was able to largely halt the spread of the virus and reopen factories, thus avoiding a recession.

In the second quarter its economy rebounded by 11.5 percent, having fallen by 10 percent in the first quarter. Still, growth for this year will be well below the breakneck rates China has seen in recent years.

Asian markets mixed with eyes on China-US tensions, stimulus

AFP, Hong Kong

Asian markets were mixed in early trade Monday as investors weighed ongoing China-US tensions and the struggle by Washington lawmakers to hammer out a much-needed new stimulus.

Analysts said there was little reaction to news that trade review talks between the superpowers due to have taken place Saturday had been postponed, though Donald Trump kept up his drumbeat against Beijing -- warning he could target more Chinese tech firms including Alibaba.

The president's warning came as he issued another executive order stating internet giant ByteDance must sell its interest in the Musical.ly app it bought and merged with TikTok.

The move follows an order last week that TikTok and WeChat end all operations in the US. While the measure did not cause a market sell-off, there are worries about how much Trump will ratchet up tensions with Beijing as he struggles to retain the White House in November, with opinion polls showing him trailing Joe Biden in key battlegrounds.

Meanwhile, high-level talks between the two on their "phase one" trade agreement were called off, though observers said the decision was down to scheduling issues and that there was no concern for now about the future of the agreement, with both sides last week saying it would stay in place.

"For now there is no sign the trade deal is in jeopardy, with the review's postponement seen as an allowance for China to increase its purchase of US agricultural goods, which are way behind schedule" owing to the impact of the virus on trade, said National Australia Bank's Rodrigo Catril.

Hong Kong added one percent and

Shanghai rose more than two percent, with mainland stocks helped by a massive cash injection into financial markets by the Chinese central bank.

Taipei was also up more than one percent and Wellington piled on 1.9 percent after the government delayed New Zealand's general election by four weeks to October 17 owing to a spike in new virus infections. Mumbai and Jakarta were also slightly higher.

But Tokyo dropped 0.8 percent after data showed Japan's economy contracted the most on record in the second quarter, while Sydney, Singapore and Manila were also in the red.

London, Paris and Frankfurt opened with gains. Investors are keeping tabs on Capitol Hill, with Democrats and Republicans no closer to a new stimulus for the beleaguered US economy, and expectations for no movement until the end of the month owing to both parties holding conventions over the next two weeks.

Still, the consensus opinion is that a deal will eventually be struck. "Despite the stimulus package appearing to be in a standstill, the markets appear

to be taking the view that major fiscal legislation is inevitable," said AxiCorp's Stephen Innes.

"Presumably based on the assumption that the Republicans will eventually accept a somewhat larger package in light of their incentive to support the economy ahead of the November election, where President Trump is trailing in the polls. "And while the coronavirus continues to flare up around the world, forcing the reimposition of containment measures, analysts said stocks will likely continue rising owing to unprecedented backing from central banks and as economies slowly recover from lockdowns earlier in the year.

"The economy is going to continue to reopen as we move into the end of this year," Brett Ewing, at First Franklin Financial Services, told Bloomberg TV.

"If you can buy into that story, you need to be ahead of money flowing into these value and cyclical stocks -- if you wait for a vaccine to come out, you're going to be missing probably the biggest opportunity right now.



Paddy prices run riot. Could this go on to pose threat to food security?

FROM PAGE B4
And given the damages of seedlings for floods, it is likely that many farmers will have to do with planting their crops late. And being late in creating plantations means a reduction in yield, he said.

Until 13 August, farmers planted seedlings of paddy on 31.5 lakh hectares during the current Aman season. The area is 57 per cent of the total target for transplanted Aman crop, showed data from the Department of Agricultural Extension.

And this is the reason behind the unstable trend in the market, said Chandan, while suggesting the government to go for imports to increase the public stock of food grain to contain the prices of the staple.

Foodgrain stocks at public storages dropped 31 per cent year-on-year to 12.62 lakh tonnes as millers and farmers are least interested in selling to the government in the face of rising prices, much to the worries of poor as well as the low-income group, whose hardships will increase because of shrinking incomes.

The coronavirus-related economic crisis increased impoverishment of a considerable number of people, pushing the poverty rate to 29.4 per cent of the population by the end of June from 20.5 per cent the previous year, according to an estimate by Planning Commission.

The number of poor is estimated to be higher by independent think-tanks and research organisations.

"The government should be cautious. There will be a shortage in case the aman crop is affected," he said.

Millers said forecasts of a food crisis for the pandemic by international agencies and erratic weather also attracted a higher number of seasonal stockists in the paddy market.

They have bought the grain early on to profit from selling in the lean season.

A lot of seasonal traders have bought paddy and stocked them, said Sabbir Khaleque, director of Desh Agro Industries, which has three rice mills at Kushita, another major rice processing hub.

Besides, farmers and traders in the value chain are more aware of the market trends and other events because of increased use of information communication technology and mobile phones, he added.

The government might face difficulties in keeping the prices steady if it does not increase the stock first, said Chitta Majumder, managing director of the Majumder Group of Industries that operates rice mills.

In that case, the government might end up facing a repetition of the price spike witnessed in 2017.

Subsequently, Majumder suggested a reduction of import duty on rice by about 60 per cent in a way such that

consumers can afford it while farmers do not suffer losses.

The effects of increased prices of paddy were not visible yet as traders were holding back when placing orders to mills assuming that the government would go for imports, he added.

The food ministry got approval from the prime minister regarding the import of rice considering risks faced from damages to Aman crop in the event of natural calamities, said Food Secretary Mosammat Nazmanara Khanum.

The flood situation improved after 15 August and the food ministry was tracking the progress of plantation of paddy during Aman season, which was susceptible to natural calamities.

"We are watching and assessing trends as well as international forecasts regarding the risk of a natural disaster. We will import the amount we need."

A small quantity will be imported such that the government can provide food to the poor and so that people get the staple at reasonable prices.

The decision is likely to be taken within this month, she said, adding that public import would be given priority.

There would be no crisis in the market because of harvests running uninterrupted until the Boro season and for farmers having a good stock of food.

Large-scale imports by private entities will not be encouraged this year, she added.

Cargo unloading at Ctg outer anchorage halted for rough seas

FROM PAGE B4
About 40 lighter vessels loaded with about 55,000 tonnes of goods and bound for Narayanganj, Dhaka and other destinations remained stranded in the Karnaphuli river as the port authority barred bay crossings for the inclement weather.

The sea is very rough and cautionary signal number 3 has been kept hoisted for the past few days.

Such disruptions are increasing the

Stimulus package for CMSMEs must be given out by Oct

FROM PAGE B4
Besides, the central bank also reviewed the stimulus package for the marginal farmers and businesses at the meeting.

On 2 April, the central bank introduced the package worth Tk 3,000 crore.

The central bank has so far approved 33.44 per cent of the package to banks.

The trend of loan disbursement under the package is satisfactory, said a central bank official.

He went on to express a hope that the funds from the stimulus package may be completed in the quickest possible time.

time cargo vessels have to stay back at the outer anchorage.

MV Thor Magnhild, a bulk carrier with 54,400 tonnes of wheat, arrived at the outer anchorage on 5 August and started unloading from Wednesday.

The pace was slow and only 4,000 tonnes of wheat could be unloaded until Friday before heavy rolling of waves in the sea halted the activities entirely. No unloading could be carried out in the past three days, according to Zahur Ahmad, director of the ship's local agent Seacom Shipping Lines.

Had normal weather prevailed, the vessel could unload 4,000 tonnes of

wheat per day, he said.

Another vessel, Niki C, is now anchored at a jetty of the port. Only 500 to 700 tonnes of its cargo of sugar could be unloaded every day for the past three days for the rain, he said.

Another 10 bulk cargo-carrying vessels berthed at the port's jetties were continuously being unloaded of their goods, said Md Omar Faruk, secretary to Chattogram Port Authority, on being contacted by this correspondent.

Here unloading has been unaffected since the cargo comprised steel scrap, steel coil and machineries, which the rain could not damage, he added.

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Memo No. 46.02.0694.001.19.006.20-366 Date: 12.08.2020

e-Tender Notice (NOTM)

Invitation for Tender No. 01/2020-21 (Online)

e-Tender are hereby invited the National e-GP System Portal (<http://www.eprocure.gov.bd>) for procurement of following works. Details are given below.

Sl No.	Tender ID	Package No.	Name of work	Tender security	Last selling date & time	Closing date & time	Opening date & time
01	483934	e-Tender/ PEDP4/BAR/ SADI/2019-20/ W14.0970	Construction of Boundary Wall including Gate at Durgapur-1 GPS Under PEDP4 in Barishal Sadar.	30000.00	09/09/2020 17:00	10/09/2020 15:00	10/09/2020 15:00
02	483822	e-Tender/ PEDP4/BAR/ SADI/2019-20/ W2.01815	Construction of Additional Classroom Binapani GPS Under PEDP4 in Barishal Sadar Upazila Barishal.	450000.00	09/09/2020 17:00	10/09/2020 15:00	10/09/2020 15:00
03	483774	e-Tender/ PEDP4/BAR/ SADI/2019-20/ W14.08990	Construction of Boundary Wall including Gate of Singherkali GPS Under PEDP4 in Barishal Sadar Upazila, Barishal.	54000.00	09/09/2020 17:00	10/09/2020 15:00	10/09/2020 15:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.
To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks branches up to 09-Sep-2020, 17:00.
Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

Md. Waliul Islam
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GD-1279

Only high-priority projects this fiscal year

FROM PAGE B1
As per a decision of the NEC, the deadline of the unfinished projects has been expanded by a year under special consideration and they have been included in the ADP for the current fiscal year and were allocated funds.

The planning ministry has directed the ministry and divisions to take measures to ensure adequate funds for the projects.

According to the planning ministry, foreign aid use is important for the overall progress of the ADP. But foreign aid allocation has gone down in the revised ADPs in the last few years as ministries and divisions could not use them properly.

The government allocated Tk 73,078 crore from foreign aid in favour of 376 projects this fiscal year.

The planning ministry advised the ministries and divisions to beef up the monitoring to execute aid-backed projects in fiscal 2019-20.

If the secretaries or senior officials of ministries or divisions play regular field visit, it would play an important role in ensuring proper implementation and quality of projects, the report said, adding that the heads of implementing agencies and project directors should intensify regular inspection and monitoring.

The recommendations made by the Implementation Monitoring and Evaluation Division in its report should be followed properly, the report said.

Development activities came to a screeching halt after the government was forced to implement a countrywide shutdown from 26 March to rein in the rising COVID-19 caseload in Bangladesh.

The ministries and divisions managed to spend Tk 161,857 crore in fiscal 2019-20, which was 80.5 per cent of the total allocation for the year.

The development budget for this fiscal year is Tk 205,145 crore, which is 6.3 per cent higher than last year's.

The government's fiscal space has squeezed as the coronavirus-induced countrywide shutdown has paralysed the economy. Revenue collection in the just-concluded fiscal year dropped 2.3 per cent.

বাংলাদেশ হাউস বিল্ডিং ফাইন্যান্স কর্পোরেশন
প্রধান শাখা, ঢাকা উত্তর, ঢাকা
বাড়ী-০২, রোড-১২, সেক্টর-০৬, উত্তরা, ঢাকা।

বিজ্ঞপ্তি

এতদ্বারা ঘোষণা করা যাচ্ছে যে, প্রট-১০, রোড-০৯, সেক্টর-৪, এর উপর নির্মিত ৪র্থ তলা ভবনটি বাংলাদেশ হাউস বিল্ডিং ফাইন্যান্স কর্পোরেশনের নিকট বন্ধক দেয়া আছে। উক্ত ভবনের উপর গৃহিত ঋণ পরিশোধ হয়েছে। ওয়ারিশপণের মধ্যে মিসেস নাসরিন সুলতানা, স্বামী-মৃত ফরিদ উদ্দিন আহমেদকে (ঠিকানা-প্রট-১০, রোড-০৯, সেক্টর-৪, ২য় তলা) ৩০ (ত্রিশ) দিনের মধ্যে জোনাল অফিস, ঢাকা উত্তর এর প্রধান শাখায় উপস্থিত হয়ে দলিলপত্র ফেরতের জন্য বিশেষভাবে অনুরোধ করা হলো। অন্যথায় অন্যান্য ওয়ারিশপণ কর্পোরেশনে উপস্থিত হয়ে দলিলপত্র ফেরত চাইলে তাদেরকে কর্পোরেশন দলিলপত্র ফেরত প্রদানে বাধ্য থাকিবেন।

তফসিলঃ
জেলা-ঢাকা, থানা-উত্তরা, মৌজা-উত্তরা আবাসিক এলাকা, বাড়ী-১০, রোড-০৯, সেক্টর-০৪, উত্তরা, ঢাকা। জমির পরিমাণ-০৫ কাঠা। উত্তরে-রাস্তা, দক্ষিণে-প্রট-০৯, পূর্বে-প্রট-১২, পশ্চিমে-প্রট-০৮।

শাখা ম্যানেজার

GD-1274

Government of the People's Republic of Bangladesh
Ministry of Road Transport and Bridges
Bridges Division
Bangladesh Bridge Authority
Setu Bhaban, Banani
New Airport Road
Dhaka, Bangladesh

Memo No. 50.01.0000.691.38.003.20-526 Date: 16.08.2020
Name of the Work: Construction of Bridge of at 17th km Kochua-Betagi-Patuakhali-Lohalia-Kalaya Road (Z8052) (At Pairakunju Ferryghat) Over Paira River
Ref: (i) Prequalification Document issued on 21/06/2020

Addendum-2

This Addendum is issued against the Prequalification Document issued on 21/06/2020 for the "Construction of Bridge of at 17th km Kochua-Betagi-Patuakhali-Lohalia-Kalaya Road (Z8052) (At Pairakunju Ferryghat) Over Paira River". This Addendum shall become an integral part of the Prequalification Document.

Sl No.	Reference	To be replaced	Replaced with/insert/status
1.	Section 2, ITA 14.1 (b)	The total number of firms in JVCA shall not be more than three.	The total number of firms in JVCA shall not be more than three. In case of Joint Venture, the lead partner shall have majority share.

Quazi Muhammad Ferdous
Chief Engineer
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E-mail: cebba2019fs@gmail.com

GD-1280

Stimulus package for CMSMEs must be given out by Oct

BB fires off warning to banks, NBFIs

AKM ZAMIR UDDIN

The central bank yesterday instructed banks and non-bank financial institutions (NBFIs) to disburse loans under the stimulus package for the cottage, micro and small enterprises within October.

The Bangladesh Bank came up with the decision at a virtual meeting with managing directors of 16 banks and 4 NBFIs in the wake of the slower loan disbursement for the cottage, micro, small and medium enterprises (CMSME).

Banks and NBFIs whose loan disbursement ceilings are Tk 50 crore and above were summoned to the meeting presided over by BB Governor Fazle Kabir.

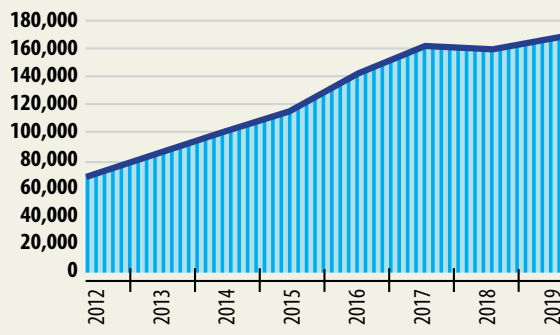
So far, banks have disbursed about Tk 1,550 crore under the stimulus package worth Tk 20,000 crore.

The central bank, however, has approved banks and NBFIs for disbursement of loans worth Tk 2,731 crore.

On 2 July, the BB governor had met another 23 banks whose loan disbursement ceilings are Tk 300 crore and above asking them to accelerate their loan distribution process.

Banks have stepped off the gas on SME loan disbursement (in Tk cr)

SOURCE: BB



"The central bank has asked us to speed up," said Mominul Islam, managing director of IPDC Finance, who participated in the meeting yesterday.

Banks and NBFIs had earlier asked to disburse loans under the stimulus packages within August.

"We have requested the central bank to extend the deadline for the stimulus package of the CMSME sector until December. But we were given two more months."

Both banks and NBFIs have also committed to implementing the stimulus package for the CMSME sector within the stipulated period to revive the economy from the ongoing fallout brought on by the coronavirus pandemic, Islam added.

Under the package, funds will be given at 9 per cent interest rate to borrowers. Of the interest rate, 4 per cent will be borne by the borrowers and 5 per cent by the government in subsidies.

Also, the central bank will provide half the Tk 20,000 crore stimulus package to cash-strapped banks so that they could give out the loans smoothly. As much as 48 banks and 20 NBFIs have signed participant agreements with BB to give the funds under the package.

But the package is failing to take off.

As per the terms of the stimulus package, banks can disburse credit equivalent to 30 per cent of the CMSME's existing working capital, which is much too small any amount for the lenders to bother with, said an official of a bank wishing to be named as he is not authorised to speak with media.

Besides, BB asked banks to disburse 50 per cent of the loans under the stimulus package to the manufacturing sector, 30 per cent to the service sector and just 20 per cent to the trading sector, which traditionally accounts for the bulk of the SME loans.

Nearly 65 per cent of the SME loans typically go to the trading sector as the segment is the major part of the economy. This has discouraged banks to use the stimulus package despite the central bank instruction to implement all credit packages, which have been formed to mitigate the recession, by August.

The central bank should address the issues immediately as SMEs account for 20 per cent of the GDP, the bank official added. The sector accounts for 80 per cent of the total industrial employment and 25 per cent of the country's labour forces.

READ MORE ON B2



RAJIB RATHAN

These lighter vessels have been forced to stay anchored for the past three days as inclement weather resulting in rough seas and incessant rain is preventing them from going out and unload imported bulk cargo from their bigger counterparts at the outer anchorage of the Chattogram port. The photo was taken at Ghat 15 in the airport area in Chattogram yesterday afternoon.

Cargo unloading at Ctg outer anchorage halted for rough seas

DWAIPAYAN BARUA, from Ctg

Unloading of imported bulk cargoes from vessels at the outer anchorage of the Chattogram port has remained suspended for the last three days until yesterday due to inclement weather resulting in rough seas and incessant rain.

Transport of these goods from Chattogram to different parts of the country through inland water routes also came to a halt on Saturday afternoon following two separate capsizing incidents that day.

The two lighter vessels were carrying raw sugar and wheat when one overturned in the Hatia channel and the other near Bhasanchar in Noakhali.

Though unloading of bulk cargoes from vessels berthed at the port's main jetties has continued, the rains have slowed down the handling of perishable goods.

Lighter vessels used in unloading cargo from their bigger counterparts at the outer anchorage are unable to venture out.

This has left at least 35 large cargo vessels lying idle at the anchorage with their goods, which include food grains, sugar, salt, fertiliser, stone and industrial raw materials such as cement clinker, slag and steel scraps, said sources.

Water Transport Cell (WTC), a private organisation that operates a portion of the lighter vessels, said they were dealing with the unloading of

17 of the 35 vessels or some 6.5 lakh tonnes of goods.

Cargoes of the remaining vessels were to be unloaded using lighter vessels of some big industrial units like Meghna Group and Abul Khair Group.

In the last berthing meeting of the WTC on Saturday, more than 20 lighter vessels were allocated for carrying out the unloading of the 17.

But the operations were halted as the vessels failed to go out to the outer anchorage due to heavy rolling of waves in the sea, said Ataul Karim, an official of the WTC.

The WTC did not hold any berthing meeting on Sunday and Monday as the inclement weather had persisted.

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Bashundhara Group to fork out Tk 4,350cr to set up three factories at BSMSN

JAGARAN CHAKMA

Bashundhara Group, one of the largest business groups in Bangladesh, is set to establish three new enterprises with a total investment of Tk 4,350 crore at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram.

"The expansion is a result of a bold decision by the government," said Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority (BEZA).

BEZA helped facilitate the project by leasing a 500-acre plot for the new economic zone that will feature the Bashundhara Pre-fabricated Building Manufacturing Industries, Bashundhara Multi Steel Industries and Bashundhara Chemical Industries.

The land was previously abandoned but now, investors are showing interest in the zone, Chowdhury said, adding that BEZA is standing by the investors even amid the ongoing coronavirus pandemic.

About 20 per cent of the project's infrastructure development works is already complete, said Foyez Rahman, secretary to the vice-chairman of Bashundhara Group.

The factories will be able to go into full operation by the end of 2021.

Government's policies play a major hurdle to industrialisation.

For example, the National Board of Revenue recently imposed a 15 per cent value-added tax (VAT) on land leasing at economic zones, providing yet another obstacle for attracting investment.



Frequent policy changes also impede any business process that was being conducted based on previous rules and regulations.

In regards to the financing of the project, Rahman said they have already sent their application for funding to Agrani Bank.

Through the new factories, Bashundhara Group is targeting to create about 3,852 jobs.

After considering the potential growth of the pre-fabricated steel sector, Bashundhara Group felt it prudent to invest in the industry.

The manufacture of pre-fabricated steel in Bangladesh has had an annual growth rate of about 15 to 20 per cent over the last 10 years.

In the past, the market value for pre-fabricated steel was only Tk 2,000 crore but now stands at Tk 4,000 crore, according to the Steel Building Manufacturers Association of Bangladesh.

Similarly, Bashundhara also wants to grab a greater share of the growing steel sector. The market size for steel is currently about Tk 55,000 crore but domestic demand continues to increase rapidly thanks to the various mega projects and infrastructure development activities being implemented across Bangladesh.

Likewise, the manufacture of chemical products is also a booming industry in the country.

Riding on the rising trend of garment exports, the textile chemical market is expected to reach a value of \$1.38 billion by 2024. For now, the chemical sector is largely dependent on imports.

And with this backdrop, Bashundhara plans to begin producing such chemicals locally to grab a greater share of the domestic market.

Textile colourants dominate the market for chemicals used in the garment sector as they provide an aesthetic appearance and value for finished textile products.

With several large-scale textile mills operating in Dhaka, the capital accounts for most of the domestic demand.

With about 40 active steel manufacturers in Bangladesh, the sector has an overall capacity to manufacture nine million tonnes of steel each year. Of them, Abul Khair Steel, BSRM and KSRM meet more than half the domestic demand.

According to BEZA's Chowdhury, this is only the beginning of Bashundhara's investments in the country as the organisation plans to invest heavily in different sectors in the future.

Bashundhara may even bring in more foreign investment through joint ventures, he added.



AMRAN HOSSAIN

Vegetables of all kinds are going for no less than Tk 50 per kilogramme in Dhaka city, a result of recent floods devastating farmlands. Over 54 lakh people have so far been affected by floods in 161 upazilas of 33 districts across the country, says the latest report of the National Disaster Response Coordination Centre. The photo was taken at Kawran Bazar yesterday.

READ MORE ON B2

Paddy prices run riot. Could this go on to pose threat to food security?

SOHEL PARVEZ

Paddy prices have shot up to very high margins for a decline in its availability in suburban haats and bazars owing to big farmers and seasonal stockists taking it slow while releasing the staple.

Crop losses for cyclone Amphan, recurrent floods and apprehensions over low yields of aman paddy for late plantation and food shortages for the coronavirus pandemic are fuelling rumours among growers, traders and millers that supply of the food grain will become tight in the coming months.

And these factors are encouraging paddy to be stocked up and released slowly, said millers and traders.

Prices vary from market to market and among regions.

However, data collected by the Department of Agricultural Marketing (DAM) showed that national average prices of coarse paddy soared 62 per cent year-on-year to Tk 933 per maund at suburban bazars on 10 August from Tk 544.

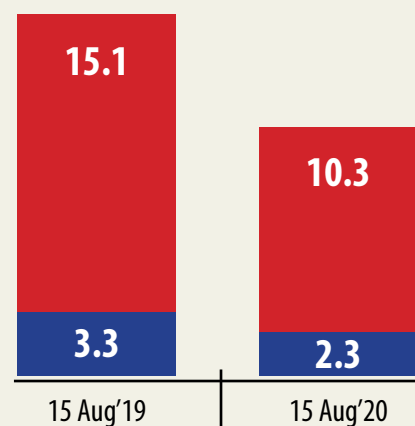
Meanwhile, prices of medium quality grains increased 41 per cent year-on-year to Tk 961 per maund on 10 August.

On 10 August, the national average prices of fine quality paddy stood at Tk 1,044, in contrast to Tk 743 a year earlier, showed data from the DAM.

FOOD GRAIN STOCK AT PUBLIC WAREHOUSES

(in lakh tonne);

SOURCE: FOOD MINISTRY



The market has become abnormal as the supply of paddy has reduced in the markets as prices are going up, said Ramesh Bhuiya, general manager of Blue Bell Auto Rice Mill in Dinajpur, one of the major rice-producing

regions in the north.

The upward trend contradicts the findings of the Bangladesh Rice Research Institute (BRRI) that there would be more than 55 lakh tonnes of rice in surplus once domestic demand was met at the end of November.

The state rice breeding agency said farmers bagged more than 2 crore tonnes of rice from Boro harvested in the April-June period. It also said the country had 2 crore tonnes of grain at the end of June.

However, Nirod Boron Saha Chandan, president of the rice and paddy commission agents and wholesalers' association at Naogan in the north, disagreed with the BRRI estimate.

There might be something wrong with the calculation of acreage of Boro paddy, he said. Availability of farmlands is falling because of their use for non-farming purposes while a section of farmers has also shifted to other crops and aquaculture.

"There is no reflection of the changes in acreage estimate."

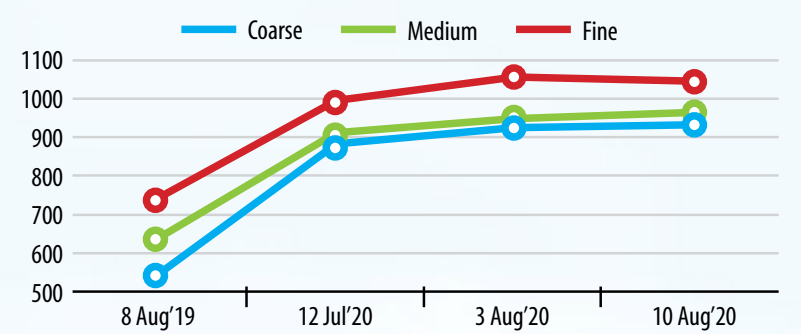
Besides, the yield of aus paddy would be less than expected as excessive rainfall has affected the crop.

Prolonged floods are going to affect Aman cultivation too. The optimum period for plantation of seedlings is going to expire by this month's end.

READ MORE ON B2

BORO PADDY PRICES HAVE ESCALATED IN RECENT WEEKS

(in Tk/maund); SOURCE: DAM



S. DILIP ROY