

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES	
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	USD	EUR
▼ 0.44%	▼ 0.57%	\$1,900.79	\$41.77	▲ 0.31%	▲ 0.18%	83.95	98.52
4,892.01	8,358.42	(per ounce)	(per barrel)	40,685.50	23,516.59	108.56	12.40
				SINGAPORE	SHANGHAI	GBP	CNY
				▲ 0.36%	▼ 1.04%	112.36	13.04
				2,537.39	3,278.00	SELL TK	
						84.95	102.32

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Govt's bank borrowing dips amid slow spending

REJAUl KARIM BYRON and MD FAZLUl RAHMAN

The government's bank borrowing plunged 90 per cent to Tk 3,033 crore in the first quarter of the fiscal year because of the slower development activities and lower than expected spending on subsidies and paddy and rice procurement.

The figure was Tk 27,951 crore in the July-September period a year ago, Bangladesh Bank data showed.

Higher sales of savings instruments, lower disbursement of funds from the annual development programme and the subsidy budget and the lower purchase of rice in the last boro season largely contributed to the drastic fall in the government's borrowing from the banking sector.

Savings certificates worth Tk 7,455 crore were sold in July and August, more than double from Tk 3,717 crore during the same period last year, according to the

central bank data.

The implementation of the ADP has not accelerated because of the dragging coronavirus pandemic. It had witnessed a massive fall in July as the pandemic-induced slowdown and uncertainty are yet to go. The same trend continued in August before picking up to some extent in September.

Overall, development spending from the government's fund declined 10.33 per cent to Tk 11,274 crore from July to September from Tk 12,573 crore last year.

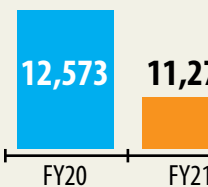
Another reason for the lower ADP spending is the government's postponement of fund disbursement for the low priority projects in the first quarter as part of efforts to free up funds for the priority sectors amid a sharp fall in revenue generation.

As the revenue situation has improved slightly thanks to the reopening of the economy, the government has softened its stance on the fund disbursement,



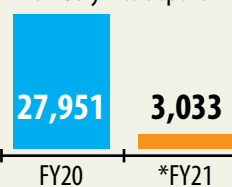
DEVELOPMENT SPENDING IN Q1

In crore Tk
SOURCE: IMED



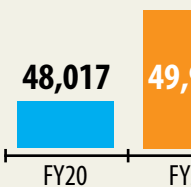
GOVT'S BANK BORROWING IN Q1

In crore Tk; SOURCE: BB
* From July 1 to Sept 29



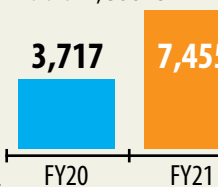
REVENUE COLLECTION

(Jul-Aug) In crore Tk;
SOURCE: NBR



SALES OF NATIONAL SAVINGS TOOLS

(Jul-Aug) In crore Tk; SOURCE: BB



allowing ministries and divisions to channel more funds to the low priority projects.

The National Board of Revenue collected Tk 49,989 crore in the first quarter, up 4.12 per cent from Tk 48,017 crore, year-on-year.

The government has not spent much from Tk 56,051 crore it set aside in June as subsidies for the current fiscal year. The spending

from the Tk 12,000 crore dedicated to the health sector owing to the health crisis has not sped up as well.

The government failed to reach its boro paddy and rice procurement target in the latest season, in another development that allowed it to borrow less.

It had aimed to buy 8 lakh tonnes boro paddy during the

procurement period from April 26 to September 15. But it could manage to buy 2.2 lakh tonnes paddy, falling short of the target by 72.5 per cent.

It procured 9.10 lakh tonnes rice during the period, down from the initial target of 11.50 lakh tonnes, data from the food ministry showed.

READ MORE ON B3

BSRM to invest Tk 50cr in cashew nut processing plant

Applied to Beza for a 15-acre plot at Bangabandhu Sheikh Mujib Shilpa Nagar

JAGARAN CHAKMA

Bangladesh Steel Re-Rolling Mills (BSRM) will invest Tk 50 crore to set up a cashew nut processing plant at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN), a move that will boost the local economy and encourage farmers.

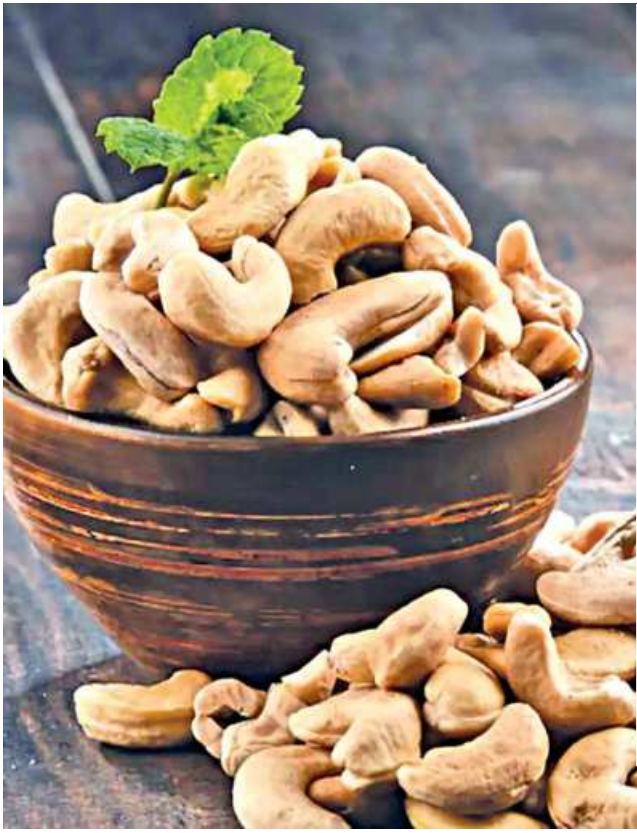
"Though the investment is small in size, it will leave a positive and far-reaching impact on the rural economy and supply of nutrition," said Tapan Sengupta, deputy managing director of BSRM.

The country's leading steel maker has already applied to the Bangladesh Economic Zones Authority (Beza) to take a 15-acre plot on lease for the processing plant.

"We will begin construction as soon as possible after signing a lease agreement with Beza," he said.

The cashew industry is a quality investment as the impact would directly benefit local farmers and add value to the popular heart-healthy snack.

"We target to export finished products after meeting the local



AT A GLANCE

Initial investment: Tk **50** crore

Total land: **15** acres

Target: value addition of local products

Cashew nut import cost per year: Tk **350** crore

Agriculture ministry will take a project of Tk **200**cr to encourage cultivation

CHT affairs ministry will also undertake a separate project

Around **1,600** farmers in Bandarban are involved in cashew nut production

Bandarban produced **1,323** tonnes this year

BEZA to provide incentives for cashew nut cultivators and processors

demand. For this reason, we will also import raw cashew nuts for processing," Sengupta said.

This Tk 50 crore investment is just for the preliminary stage as the total investment could increase as needed in the future, he added. The BSRM's initiative is a unique one as they want to add value to local products, said Paban Chowdhury, Beza executive chairman.

Companies have yet to tap into the potential of cashew nut processing in the country even though farmers in hilly areas cultivate the nut on a whim instead of commercial farming.

"We will provide incentives to processors and farmers to encourage both sides as it would be a good initiative," he said, adding that investors will be encouraged to cultivate cashew nuts inside the BSMSN.

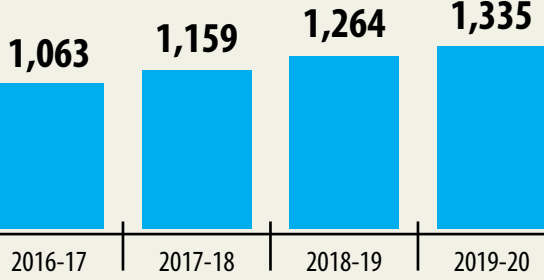
With people becoming more and more health conscious, the cashew nut cultivation has increased in line with the growing demand in local markets.

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PROFITS OF SQUARE PHARMA

In crore taka; SOURCE: DSE



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Dairy farmers call for reducing feed costs

STAR BUSINESS REPORT

Dairy farmers yesterday urged the government to take steps to reduce the cost of livestock feed and discourage meat import.

Farmers said prices of ingredients of cattle feed were increasing, resulting in the spiraling of cost of the production of milk and meat, according to a press release.

"We are at risk of closure in the face of soaring prices of feed," said Mohammad Shah Emran, general secretary of Bangladesh Dairy Farmers Association (BDFA), which represents 16,000 plus dairy farmers in the country.

Cost of feed shot up 31 per cent to Tk 33-Tk 34 per kilogramme from Tk 25-Tk 26 six months ago, he said.

Earlier in the day, the BDFA held a press conference at National Press Club to place their 10-point demand before the government.

The BDFA said nearly eight lakh farmers were engaged in cattle farming and their numbers had doubled in the past eight years as a section of people signed up for milk and meat production to cater for domestic demand.

As a result of increased farming, milk production grew threefold and the country became self-reliant on meat, said the BDFA in the press release.

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Look beyond GDP numbers to understand people's wellbeing

Prof Wahiduddin Mahmud says

STAR BUSINESS REPORT

The economic indicators such as GDP growth are important to assess the economic advancement of a nation. But economists and policymakers should come out of the obsession of using gross domestic product numbers and focus on the figures that people can see and relate to their lives, said two noted economists.

"Economic development means an improvement in the standards of living and it is a matter of feeling. This is something that can be visible and is not a matter of calculation on papers only," economist Prof Wahiduddin Mahmud said.

"Paperwork is vital. But people have to feel that their living standards are improving."

He made the comments at a virtual



Analysts attend a virtual discussion on the topic -- Do economists make sense to people? A different take on indicators of development -- on Saturday.

There is an obsession about using a single indicator to explain economic development or advancement. It is important to come out of this obsession. Change in mindset is also important, says PPRC Executive Chairman Hossain Zillur Rahman

styled "Do economists make sense to people? A different take on indicators of development" on Saturday.

The discussion was part of a series of policy conversations called 'Today's Agenda', which seeks to go beyond formal policy discourses and integrate voices from policymakers, academicians, government officials, students and grassroots actors. PPRC Executive

Chairman Hossain Zillur Rahman hosted the session.

Prof Mahmud said when a tourist visits a country, does he or she look into the human development indicators prepared by the United Nations Development Programme or the documents of the World Bank to find out whether the country is a high-income or low-income nation?

READ MORE ON B3

"Economic development means improvement in the standards of living. And it is a matter of feeling. This is something that can be visible, not a matter of calculation in paper only," says Wahiduddin Mahmud, a noted economist