

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
0.65%	0.48%	\$1,880.66	\$52.26	46,960.69	26,763.39	2,848.98	3,394.90	83.95	101.88	112.61	12.68
5,084.58	8,794.61	(per ounce)	(per barrel)					BUY TK	84.95	105.68	116.41
								SELL TK	84.95	105.68	116.41



# Star BUSINESS

DHAKA MONDAY DECEMBER 21, 2020, POUISH 6, 1427 BS • starbusiness@thedailystar.net

## Banks' lending growth slows down

They can't utilise cheap funds as depressed demand from borrowers persists amid pandemic

AKM ZAMIR UDDIN

Lending growth failed to keep pace with the deposit growth in banks in September, putting lenders in an uncomfortable situation as they cannot make the most of cheap funds because of depressed demand from borrowers.

Loans and advances stood at Tk 1,065,570 crore as of September, up 9.56 per cent from a year ago, central bank data showed.

Year-on-year lending growth was 8.95 per cent in June this year and 10.95 per cent in December last year.

Fund disbursement from the

stimulus packages unveiled by the government in response to the pandemic-induced economic slowdown helped the credit growth pick up slightly despite a lower demand from the private sector.

But the lending growth is not satisfactory at all given the deposits held by banks.

Earnings by banks chiefly depend on lending, so the upward trend of deposit growth is piling pressure on them. But the demand for loans will go up once the economic impact of the coronavirus pandemic disappears.

### LENDING GROWTH AT A GLANCE



Year-on-year lending growth was **9.56pc** in Sep, up from **8.95pc** in Dec last year

Deposit growth was **12.39pc**, up from **10.49pc**

ADR stood at **74pc** in Sep in contrast to **76.22pc** in Jun

Six foreign banks are in negative zone in terms of credit growth

**27** local banks have less than **10pc** lending growth

### WHAT BANKERS SAY...

Both bankers and borrowers are cautious about loans

Demand for retail loans falling alarmingly

Banks facing huge interest burden for the deposit glut

Low lending growth will affect profitability

Lending may pick up once Covid vaccine is available

Deposits at banks rose 12.39 per cent year-on-year to Tk 1,345,436 crore in September although the weighted average interest rate on deposits fell to 4.73 per cent, the lowest in a decade.

The deposit growth stood at

10.49 per cent in June and 12.32 per cent in December last year. This means banks will incur a loss in the coming days if the deposit growth continues to run higher than the lending growth.

The difference between deposit and credit growths was also

exposed by the latest data on advance (loan) and deposit ratio (ADR) calculated by banks.

The ADR was 74 per cent in September, down 76.22 per cent three months earlier and 77.34 per cent in December.

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## Interest relief for Japanese investors

STAR BUSINESS REPORT

Bangladesh Bank yesterday lowered the interest rate at which Japanese investors can avail funds from the foreign direct investment promotion project, aiming to draw more financing from the East Asian island country.

From now on, Japanese investors, be it individually or through joint ventures with locals, will be eligible for a 5 per cent interest rate instead of the previous 7 per cent, according to a central bank notice. In addition, local exporters whose annual shipments to Japan amount to \$1 lakh and above will be allowed to get loans from the project, which is designed to provide financing to financial intermediaries.

The project is essentially a Tk 550 crore worth fund formed in 2017 by the government with assistance from Japan International Cooperation Agency (Jica) to give momentum to the inflow of FDI in the country.

Businesses have so far taken around Tk 140 crore from the fund in the form of refinance and pre-finance.

Under the refinance scheme, banks give out loans to businesses and the banking regulator reimburses the lender afterwards. In case of pre-finance, lenders first avail the fund from the central bank scheme before disbursing the associated loans to borrowers. Both term loan and working capital are now being provided to entrepreneurs. The loans come with a repayment tenure of five to 10 years. A grace period of a maximum of one to two years is allowed.

The tenure of the project is up to 2025, after which it will become a revolving fund. Revolving funds are formed for specific purposes with the proviso that repayments to the fund will be used again for those purposes.



## Garment factories reverting to cash for wage payment: study

STAR BUSINESS REPORT

Garments factories are reverting to cash to pay wages and salaries to workers just months after they embraced digital payments at the height of the coronavirus pandemic, according to a new study.

The digitalisation of wages got a leg up after the government enforced countrywide shutdown to slow the spread of the deadly pathogen in April. The upward trend in payments through electronic platforms continued until June.

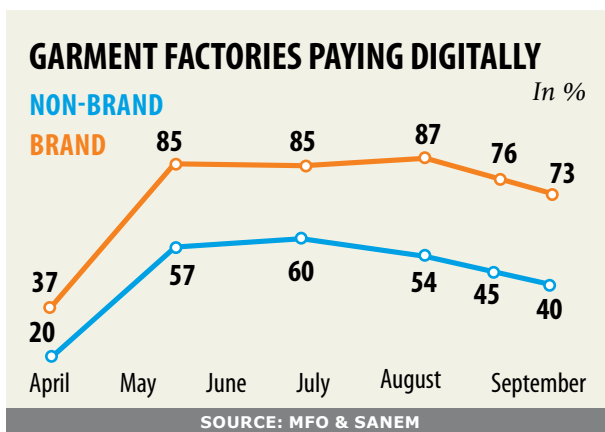
Later, the ratio of digital payments began to decline despite higher benefits of digitalisation such as decreased payroll processing costs, lost worker production time, and enhanced security associated with digital payments, said a press release citing the study.

The Microfinance Opportunities in collaboration with the South Asian Network on Economic Modeling (Sanem) carried out the study under a project called Garment Worker Diaries.

The project aims at collecting data on the working conditions, income, expenditure, and financial tool usage by workers in the global apparel and textile supply chain.

Researchers collected data on factory wage digitalisation from 1,377 workers in the main industrial belts such as Chattogram, Dhaka City, Gazipur, Narayanganj and Savar from April to October.

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## Future of export hinges on continuity of EU duty benefit

PRI study says

STAR BUSINESS REPORT

The future of Bangladesh's exports heavily depends on the continuation of duty-free privileges to the European Union, the country's largest export bloc, following the 2024 status graduation, according to findings of a study released yesterday.

If the EU extends the duty privileges, then other developed countries will follow suit, said MA Razaque, research director of Policy Research Institute (PRI).

As a least developed country (LDC), Bangladesh currently enjoys duty-free access to the EU under the latter's Everything But Arms (EBA) initiative, with around 61 per cent of its yearly exports destined for the region.

Of these exports, garments account for about 64 per cent, or \$24 billion.

So far, only the EU has assured that it would continue providing the zero-duty benefit until 2027 to allow Bangladesh a period for preparations following its status graduation from an LDC to a developing one.

If the privilege is not extended, then local exports will face 9.5 per cent to 10 per cent duty on shipments to the EU, which may pose a challenge in staying competitive in the EU markets, Razaque said.

Therefore, Bangladesh needs such an extension to go beyond

### LDC GRADUATION TO POSE CHALLENGES AND AFFECT EXPORT COMPETITIVENESS

**Issues triggered by LDC graduation**

- Trade preference erosion → Impact on exports → Implication for GDP and employment
- Loss of policy space → TRIPS and pharmaceuticals; export subsidies → Development challenges
- Development financing → High interest ODA, climate financing → Development challenges

**Current challenges**

- Impact of Covid-19
- Reducing inequality, creating jobs
- Low tax-GDP ratio
- Low health and education expenditure
- Policy uncertainty in the global economy
- Pressure on competitiveness

### MOST LIKELY POST-LDC TARIFF SITUATIONS FOR BANGLADESH

Countries	Current tariff rate facing Bangladesh as an LDC	Post-graduation tariff rates (AVG)
EU	0%	9.5%
Canada	0%	17%
China	0% in 97.5% products	16.2%
India	0%	8.61%
Japan	0%	8.71%

2027 even though its economy has been severely affected in the Covid-19 fallouts, he added.

The EU is set to review the existing Generalised System of Preferences (GSP) facility in 2023.

So Bangladesh needs to engage in dialogues with the EU to secure duty-free privileges for the new

era past the graduation, said the PRI research director.

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## Port users irked by delays in bay terminal construction

Express concern at Ctg port advisory committee meeting

STAFF CORRESPONDENT, Chattogram

Chattogram port users and businesses yesterday expressed their concerns over delays in the construction of a bay terminal, the long-awaited mega expansion project of the port at Patenga coast.

They also underscored the need for expediting other ongoing expansion projects, including the one for the Patenga container terminal.

They spoke at the 14th meeting of the advisory committee of Chattogram Port Authority (CPA) held at Shaheed Mohamad Fazlur Rahman Munshi Auditorium with State Minister for shipping Khalid Mahmud Chowdhury in chair.

CPA Chairman Rear Admiral SM Abul Kalam Azad moderated the meeting attended by Information Minister Hasan Mahmud.

Discussions with different foreign investors for the bay terminal are going on, said the state

PROPOSED BAY TERMINALS AND THEIR CAPACITY		
TERMINALS	JETTY LENGTH	HANDLING CAPACITY
Bay multi-purpose terminal	1,500 metres	50 lakh tonnes (bulk)
Bay container terminal-1 (Northern terminal)	1,225 metres	18.50 lakh TEUs
Bay container terminal-2 (Southern terminal)	800 metres	12.33 lakh TEUs

Ctg port handled 30 lakh TEUs container in 2019

minister for shipping. "The construction activity will start after the completion of negotiations," he added.

Mahmud hoped the Patenga container terminal will go into operation by next year.

The CPA took the bay terminal project several years back to construct a mega container terminal

and create a six-kilometre-long channel for vessel movement.

It was planned to complete the full project in three phases while the first phase was earlier expected to be completed by 2021, creating around 4,00,000 square metres of container storage space.

Five international port giants, including PSA Singapore, China

Merchants Sports Holding Company Limited, DP World of UAE, International Port Development Co-operation of Korea as well as India, have so far expressed interest in funding and constructing the mega project.

In its last meeting held in September 2019, the port advisory committee had decided to complete land acquisition for the bay terminal as soon as possible as a part of its efforts to include it in the government's fast track projects.

While speaking at yesterday's meeting through virtual platform, the information minister reiterated the importance of including it in the government's fast track project list.

Chattogram Chamber of Commerce and Industry President Mahubul Alam expressed dissatisfaction for not completing the land acquisition activity yet.

READ MORE ON B3

## Ctg businesses urge India to cut non-tariff barriers

Call for better trade facilities at a meeting with Indian envoy

STAFF CORRESPONDENT, Chattogram

Businesses in Chattogram yesterday called upon India to cut non-tariff barriers to boost Bangladesh's exports to the neighbouring country and reduce the trade gap.

They also demanded enhancing the port infrastructure of both countries to facilitate the movement of goods.

The businesses made the demands during a meeting with Indian High Commissioner Vikram Doraiswami.

The Chattogram Chamber of Commerce and Industry (CCCI) organised the meeting with its President Mahubul Alam in the chair at the Bangabandhu Conference Hall of the World Trade Centre.

Doraiswami said that the trade, maritime and manufacturing sectors in Chattogram have a lot of potentials, and the seaport is being considered as the gateway to this region.

Both countries need to take initiatives for the development of sea, river and land ports to enhance bilateral trade, he added.

India is interested in cooperating with Bangladesh in the areas of logistics, ports, infrastructure, communications and

manufacturing.

It is also keen on the operational activities of the Patenga Container Terminal and the Bay Terminal of Chattogram Port.

"Bangladeshi traders have a huge opportunity to export packaging foods to the Indian market after ensuring quality," Doraiswami said.

India has proposed to set up a food safety lab in Bangladesh through a bilateral agreement, which will reduce the sufferings of traders in importing and exporting food products, he said.

Mahubul Alam proposed the formation of a special task force comprised of ministries, ambassadors and business leaders to formulate a 10-year development plan based on the potential of both countries.

Aameir Alihussain, managing director of Bangladesh Steel Re-Rolling Mills, SM Abu Tayab, a former vice-president of the Bangladesh Garment Manufacturers and Exporters Association, Nazmul Karim Chowdhury Sharun, a director of the CCCI, and Mahfuzul Hoque Shah, a former director, also spoke at the event.

China could restrict bank tie-ups with fintech platforms, official suggests

REUTERS, Beijing
China's former finance minister Lou Jiwei suggested that China could restrict the number of banks a single fintech platform can partner with...

under the same conditions," he said, adding that fintech platforms should not be allowed to grow to the point of "winner takes all" and "too big to fail".



A Chinese national flag flutters near the building of China Securities Regulatory Commission (CSRC) at the Financial Street area in Beijing, China.

Government of the People's Republic of Bangladesh Local Government Engineering Department Office of the Upazila Engineer Upazila: Begumganj, District: Noakhali www.lged.gov.bd
Memo No. LGED/UE/Begum/Noa/2020/1724 Date: 20/12/2020
e-Tender Notice No. 09/2020-21 (OTM)
e-Tender is invited in the e-GP System Portal (http://www.eprocure.gov.bd) for the procurement of following works...

বাংলাদেশ ইউনিভার্সিটি অব প্রফেশনালস (বিইউপি)
প্রধান পরিচালনা, উম্ময়ন ও পূর্ব অফিস, মিরপুর সেনানিবাস, ঢাকা-১২১৬
"শিক্ষা নিয়ে গড়ব দেশ শেখ হাসিনার বাংলাদেশ"
উন্মুক্ত দরপত্র বিজ্ঞপ্তি
০১. বাংলাদেশ ইউনিভার্সিটি অব প্রফেশনালস এর উম্ময়ন (১ম পর্যায়) শীর্ষক প্রকল্পের আওতায় নিম্নে উল্লিখিত কাজের জন্য উন্মুক্ত দরপত্র আহ্বান করা হলো। এ লক্ষ্যে প্রকৃত প্রস্তুতকারক/সরবরাহকারী/সিদ্ধাদার/ব্যবসায়ী/কোম্পানীর নিকট হতে সীলমোহরযুক্ত দরপত্র আহ্বান দরপত্র আহ্বান করা যাচ্ছে। উল্লেখ্য যে, সরবরাহকারী প্রতিষ্ঠান প্রস্তুতকারক সংস্থা/বাংলাদেশ এজেন্ট কর্তৃক অনুমোদিত হতে হবে।

Tesla unlikely to drive up volatility on S&P 500, analysts say



Tesla CEO Elon Musk talks to media as he arrives to visit the construction site of the future US electric car giant Tesla, in Gruenheide near Berlin.

REUTERS, New York
Investors have worried that including Tesla Inc's notoriously volatile shares in the S&P 500 will exacerbate gyrations in the broader index, but some analysts say that's unlikely to happen.
The electric carmaker, which will join the S&P 500 on Monday after rallying nearly 700 per cent this year, ranks near the highest in implied volatility - or expectations for stock moves embedded in options prices - on the index.

German business morale ticks up in December

AFP, Frankfurt
German business confidence unexpectedly rose in December, a key survey showed Friday, even as the country ends the year back under a new lockdown to curb a second coronavirus wave.
The Ifo institute's monthly confidence barometer rose to 92.1 points from 90.9 in November. Analysts surveyed by Factset had expected the index to suffer a third consecutive dip.

Germany on Friday reported more than 30,000 new coronavirus cases, its second-highest level ever, and 813 new deaths.
Ifo said managers were both more optimistic about their current situation and about Germany's economic outlook. But it stressed that "a large majority" of the answers in the 9,000 strong survey were received before Germany announced its latest, tougher lockdown.

Indonesia opens \$3b 'strategic' sea port

REUTERS, Jakarta
Indonesian President Joko Widodo inaugurated the Patimban sea port in West Java on Sunday, saying the new gateway would have a "strategic" role in boosting the nation's pandemic-hit economy.
The 43.2 trillion rupiah (\$3.07 billion) port in the town of Subang, 140 km (90 miles) east of the capital Jakarta, is one of the government's priority infrastructure projects, designed to boost Southeast Asia's largest economy and relieve pressure on Jakarta's congested Tanjung Priok port.

key in connecting different sectors, from industrial manufacturing to agriculture, and increasing exports." Built with funding from the Japanese government, the port is expected to boost Indonesia's economic recovery, after the Southeast Asian nation entered a recession for the first time in 22 years in the third quarter.
The government has targeted the port to boost the competitiveness of Indonesia's exports, particularly in the automotive sector. Transport Minister Budi Karya Sumadi said an operational trial of the port had been carried out this month, ahead of the first official day of operation on Sunday.

Blackstone in talks to merge Alight with blank-check acquisition firm

REUTERS, New York
Private equity firm Blackstone Group Inc is in talks to merge US benefits services provider Alight Solutions LLC with a blank-check acquisition firm backed by veteran investor Bill Foley, according to people familiar with the matter.
The merger with Foley Trasimene Acquisition Corp would result in Alight becoming a publicly-listed company at a valuation of more than \$8 billion, including debt, the sources said.
The deal talks come more than a year after

Blackstone canceled an initial public offering (IPO) of Alight as it was about to raise up to \$800 million, amid concerns that it would not fetch the terms it was seeking. A deal with Foley's blank-check acquisition firm would underscore the growing popularity of these vehicles as an alternative route to the stock market.
The sources cautioned that the negotiations may not lead to a deal and requested anonymity because the matter is confidential. Blackstone and Alight declined to comment, while a Foley spokesman did not immediately

respond to a request for comment.
Foley Trasimene is a so-called special purpose acquisition company (SPAC), which raised \$900 million in an IPO in May to merge with a private company, without telling investors in advance what that company would be.
Buyout firms have traditionally cashed out on their investments by selling companies outright or taking them public. The potential deal for Alight highlights how Blackstone sees SPACs as a viable alternative.
Earlier this month, Blackstone and another private equity firm,

CVC Capital Partners, agreed to merge payments platform Paysafe Group Holdings Ltd with another Foley-backed SPAC, Foley Trasimene Acquisition Corp II, in a deal worth \$9 billion, including debt.
Based in Lincolnshire, Illinois, Alight offers cloud-based benefits administration and human resources services to 30 million people in 188 countries, according to its website.
It was acquired by Blackstone in 2017 from insurance broker Aon Plc, in a deal that valued it at up to \$4.8 billion.

Government of the People's Republic of Bangladesh Local Government Engineering Department Office of the Executive Engineer 1012, CDA Avenue, Sholashahar District: Chattogram www.lged.gov.bd
Memo No. 46.02.1500.000.99.010.20.3152 Dated: 20/12/2020
e-Tender Notice-17/2020-21
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.

# Huawei CFO's alleged actions had 'no genuine connection' to US, her lawyers say

REUTERS, Toronto  
Huawei Chief Financial Officer Meng Wanzhou's alleged actions had "no genuine connection" to the United States, her lawyers have argued in their latest bid to end her extradition from Canada, according to court documents released on Friday.  
Meng, 48, was arrested two years ago at the Vancouver airport by Canadian police on an arrest warrant from the United States, where she is charged with bank and wire fraud for allegedly misleading HSBC about Huawei Tech Co Ltd's business dealings in Iran.  
She has claimed innocence and is

fighting the extradition while under house arrest in Vancouver. Witness testimony wrapped up earlier this week in her case.  
Her lawyers have fought to add an additional allegation of abuse of process to the case, claiming that the United States misrepresented Meng's actions to Canada in its request for her extradition, and that her actions did not cause HSBC to violate US sanctions against Iran.  
The United States' claim that it has jurisdiction over Meng's actions "is based solely on non-US business transactions between non-US

corporations using non-US banks," Meng's lawyers wrote in a notice of submission, released on Friday.  
"None of (Meng's) alleged conduct occurred in whole or in part in the US, nor did it have any effect there," they continued.  
International law "does not allow a state to criminalize the conduct of a non-national, outside that state, for representations made to another non-national, where there is no substantial and genuine connection to that state," Meng's lawyers wrote.  
Meng will next be in court on Dec. 23 for a case management conference.



Huawei Technologies Chief Financial Officer Meng Wanzhou leaves her home to attend a court hearing in Vancouver, British Columbia, Canada. REUTERS/FILE

# Iraq devalues dinar as oil prices squeeze revenues

REUTERS, Baghdad  
Iraq's central bank increased the sale price of US dollars to banks and currency exchanges to 1,460 dinars, from 1,182 dinars, seeking to compensate for a decline in oil revenue due to low crude prices, the bank said on Saturday.  
The central bank of Iraq said the key reason behind the dinar's devaluation was to close the gap of widened 2021 budget inflation after a collapse in global oil prices, a major source of Iraq's financial resources.  
"The financial crisis which Iraq suffered due to the coronavirus pandemic caused a decline in oil prices that caused decreasing oil revenues, altogether have caused a large deficit in the federal budget," the central bank said in a statement.  
The devaluation decision came as a preemptive move to prevent "draining

Iraq's foreign reserves" and help government to secure public servants' salaries, the bank said.  
Iraq depends on oil revenue for 95 percent of its income. The last devaluation was in December 2015 when it raised the sale price of US dollars to 1,182 dinars from 1,166.  
But in Iraq's largely dollar-denominated economy, lowering the value of its dinar by a significant rate, which was the highest devaluation rate since 2003, would immediately raise the price of goods, hitting living standards.  
Combined with other pending painful economic reforms by the government of Prime Minister Mustafa al-Kadhimi, this could lead to further unrest in a country where protests broke out on Oct. 1 last year and continued for several months, with hundreds of thousands of Iraqis

demanding jobs, services and the removal of the ruling elite, which they said was corrupt.  
Iraqi security forces and anti-riot police were deployed on Saturday near central bank headquarters, state banks and other financial offices in Baghdad in anticipation that protests could erupt after the central bank decision, said two security officials.  
The Opec member's economy has only a small manufacturing base and almost all goods are dollar-priced imports, so a cheaper dinar would instantly make normal Iraqis feel poorer without providing any benefit to the wider economy via cheaper exports.  
"Devaluation of the currency would self-inflict destructive repercussions on economy. It would be catastrophic," said Qais Jawhar, a Baghdad-based economic professor.

# Garment factories reverting to cash for wage payment: study

FROM PAGE B1  
Factories were divided into two categories: Brand-facing and Not Brand-facing.  
A factory is considered as 'brand-facing' if it is on a brand's list of suppliers or is listed as a supplier to a brand on the websites of the Mapped in Bangladesh (MiB) or the Open Apparel Registry (OAR).  
The MiB is a digital map of the garment industry that provides a detailed database of export-oriented factories all over Bangladesh. The OAR is a source map to identify apparel factories and their affiliations.  
In the press release, the Sanem said there was a massive shift towards paying workers digitally in May, followed by a slow decline in the share of digital payments in the subsequent months.

The companies that are listed as the supplier of brands began to cut digital payments from August when 76 per cent paid wages electronically, down from 87 per cent in July.  
In September, 73 per cent of the factories paid wages digitally.  
The digital payment made by the firms that are not listed as suppliers of brands slumped to 40 per cent in September from 60 per cent in June, the press release said.  
"One possible explanation was that the benefits of the digitalisation were not readily apparent to the factories, particularly because they had not completely replaced cash payments with digital payments."  
For instance, some workers reported to have received their regular salaries digitally, but Eid bonus payments in cash, the press

release said.  
Another reason that may have caused the factories to return to cash payments is the unwillingness of workers to receive the money electronically, it added.  
"Most workers are not comfortable with receiving payments digitally because of the high transaction costs associated with mobile banking and insufficient knowledge about mobile financial and banking services," said the Sanem.  
Sanem Executive Director Selim Raihan called the reverting to cash payments unfortunate to some extent.  
"The cost for digital transactions, including through mobile phones, should be reduced as the charge is high from the perspective of the income of garment workers."

# Port users irked by delays in bay terminal construction

FROM PAGE B1  
CPA Member Md Zafar Alam informed the meeting that the CPA has so far acquired 64 acres of privately-owned land for the project and land development activities is

ongoing where a delivery yard would be built.  
A proposal for appointing a consultant for building the delivery yard has been sent for approval, he said.

The final approval on acquisition of 803.17 acres more of government land is at the land ministry which recently sought an approval letter from Ecnc regarding the land acquisition, Alam added.

# Future of export hinges on continuity of EU duty benefit

FROM PAGE B1  
Razzaque made these comments while presenting a keynote paper at a virtual discussion on "getting ready for LDC graduation", organised by Economic Reporters Forum (ERF) in collaboration with the Research and Policy Integration for Development (RAPID) and Asia Foundation.  
Bangladesh should engage in lobbying with the EU so that it extends the EBA initiative by more than just a few years so that the country's exports to the largest trade block continue without facing any interruption, he said.  
Bangladesh could also lobby for the duty privileges to be removed in phases, Razzaque added.  
For instance, the EU could add a 2 per cent duty in the first phase, 3 per cent in the next and so on so that Bangladesh could enjoy a smooth graduation.  
Apart from the EU, Bangladesh should also hold intense negotiations with other developed countries like Australia, Canada, Japan, China, India and other GSP-providing countries.  
Here, Bangladesh could engage in lobbying with India so that article 12 of South Asian Free Trade Area (Safra) is followed in case of the country's graduation.  
As per article 12, India has committed to continue its duty privileges for the Maldives even after its graduation to a developing country.  
However, signing the proposed comprehensive economic partnership agreement (CEPA) with India will not be a wise decision at

this moment, Razzaque said.  
Similarly, Bangladesh could launch negotiations with China for the continuation of its duty-free facility for 97 per cent of goods of Bangladeshi origin even after the graduation.  
"Also, signing a free trade agreement (FTA) with China could bring cheers for Bangladesh in the post LDC period as China itself is a very big consumer market for Bangladeshi products," he said.  
Once, the duty privilege to Chinese markets is withdrawn, local exporters will have to face a 17 per cent duty on exports to Chinese markets.  
However, Razzaque also said it would not be wise to rush into signing FTAs or preferential trade agreements (PTA) under pressure.  
"LDC graduation presents a lot of challenges but also has a lot of opportunities for the country and we have to find those opportunities," he added.  
Although signing an FTA entails 90 per cent product coverage under the agreement, Bangladesh would still have to make duty free arrangements with partnering countries.  
So, if possible, the country needs to be a partner with any of the mega trade deals, such as Regional Comprehensive Economic Partnership (RCEP).  
There is a possibility of signing another mega trade deal like the now defunct Trans-Pacific Partnership (TPP) in the near future.  
Last year, Bangladesh gave around \$600 million in direct export

subsidies. Paying such subsidies on exports after the country's graduation would be difficult. Besides, World Trade Organization (WTO) has some restrictions regarding such a decision.  
So, Bangladesh should find a mechanism that allows the country to continue giving such subsidies even after the graduation, Razzaque said.  
Currently, of the total revenue generated by the country each year, 30 per cent comes from import duty, as the country is highly dependent on such taxes given that it has very few FTAs or PTAs.  
Bangladesh needs to manage the revenue through other measures as the country is getting ready to sign FTAs and PTAs with a few of its trading partners, according to Razzaque.  
Overall, Bangladesh needs to save 10 per cent of its costs for offsetting the losses of the LDC graduation. It is possible by improving productivity, weakening the local currency against the dollar, improving the ease of doing business and technologies and logistics, he said.  
Some 14 per cent of the country's exports might be affected due to the LDC graduation, he added.  
Razzaque suggested taking advantage of certain opportunities to offset the losses, such as availing funds from the LDC Fund and the Technology Bank for the LDCs and extending the Trade-Related Aspects of Intellectual Property Rights (TRIPs) up to January 2033.  
Commerce Secretary Md Jafar Uddin said \$7 billion worth of the

country's trade would be affected by the graduation.  
However, Bangladesh has the opportunity to export \$10 billion worth of halal goods if an accreditation board was formed.  
"So, some \$3 billion additional trade would also take place if Bangladesh begins exporting halal foods and we also have many other sectors from where we could gain a lot after graduation," he said.  
"That's why Bangladesh should not be worried about LDC graduation," Uddin added.  
Currently, Bangladesh has been negotiating with 11 countries to either sign FTAs or PTAs.  
"We need to continue negotiations with the EU to retain our trade privileges as long as possible as it is our biggest export destination," said Planning Minister MA Mannan. Similarly, negotiations with the UK should also be started as this is also a very important export destination, he added.  
Mohammad Sirazul Islam, executive chairman of Bangladesh Investment Development Authority, urged for minimising the gap between tax and GDP as the existing 9 per cent ratio was too low even in the context of the country's South Asian peers.  
M Abu Eusuf, a professor of the department of development studies at the University of Dhaka; Kazi Faisal Bin Siraj, country representative of Asia Foundation; Sharmeen Rinvy, president of the ERF; and M Rashidul Islam, the ERF general secretary, also spoke at the event.

Request for Expressions of Interest (Re-Advertisement)	
Government of the People's Republic of Bangladesh	
1. Ministry/Division	Ministry of Defence.
2. Agency	Survey of Bangladesh (SOB).
3. Client name	Surveyor General of Bangladesh.
4. Client code	11903.
5. Client district	Dhaka, Bangladesh.
6. Expression of Interest for Selection	Individual Consultant (System Engineer, Programmer).
7. EOI Ref. No.	23.08.0000.032.26.007.19.105
8. Date	21.12.2020
9. Source of funds	GoB.
10. Project/programme name (if applicable)	Revenue Fund, NSDI Project.
11. EOI closing date and time	03 January 2021, 4.00pm.
<b>14. Brief Description of Assignment: Individual Consultant</b>	
<b>a) (System Engineer): 1 person</b>	<b>b) (Programmer): 1 person</b>
<ul style="list-style-type: none"> <li>Managing and monitoring all installed systems and infrastructure installing, configuring, testing and maintaining operating systems, application software and system management tools.</li> <li>Ensuring the highest levels of systems and infrastructure availability.</li> </ul>	<ul style="list-style-type: none"> <li>Build and use Computer Assisted Software Engineering (CASE) tools to automate the writing of some code update and expand existing progress.</li> <li>Debug programs by testing for and fixing errors write programs in a variety of computer languages.</li> </ul>
<b>Educational qualification and experience:</b> Minimum B.Sc. in Computer Science (CS) or Computer Science and Engineering (CSE).	<b>Educational qualification and experience:</b> Minimum B.Sc. in Computer Science (CS) or Computer Science and Engineering (CSE).
<b>Experiences:</b>	<b>Experiences:</b>
<ol style="list-style-type: none"> <li>At least 07 (seven) years of experience of work with GIS;</li> <li>Good skills on Database and online server system management, web application development, data security management, network design; and work experience with Development Partners in the field of GIS.</li> </ol>	<ol style="list-style-type: none"> <li>At least 03 (three) years of experience of work with WMS;</li> <li>Good skills on Database and online server system management, web application development, data security management, network design; and work experience with Development Partners in the field of WMS.</li> </ol>
15. Other details: All candidates should have minimum 05 (five) years recent working experience in the related field.	
<ol style="list-style-type: none"> <li>Age not exceeding 55 years.</li> <li>Fluency in speaking and excellent in writing English is a preferred qualification.</li> <li>The candidate must have the capability of imparting training to the SOB staffs in the relevant IT field.</li> <li>Project Director invites eligible applicants to show their interest in providing qualification and experience certificates along with CV.</li> <li>The applicant will be selected using the selection method of individual consultant as per Act-2006.</li> <li>The services are likely to commence on 15 January 2021 and shall be completed on 14 Jan 2022. The duration of the services will be extended according to the performance of consultant.</li> </ol>	
16. Name of the official inviting EOI	: Md. Sadus Jaman.
17. Designation of the official EOI	: Project Manager, Establishment of National Spatial Data Infrastructure (NSDI) for Bangladesh.
18. Address of the official inviting EOI	: Survey of Bangladesh, 29, Shahid Tajuddin Ahmed Saranee, Tejgaon, Dhaka-1208.
19. Contact details of official inviting EOI	: Telephone No. +880-2-8170082, +8801520100431, Fax: +880-2-9117463, E-mail: info@sob.gov.bd, Web: http://www.sob.gov.bd
20. The procuring entity reserves the right to accept/reject all the EOIs. A draft TOR is attached on www.sob.gov.bd	
GD-2016	

# Banks' lending growth slows down

FROM PAGE B1  
As per a central bank instruction, conventional banks have to maintain 87 per cent in ADR, meaning that they are allowed to lend Tk 87 against every Tk 100 mobilised.  
Shariah-based banks are allowed to keep their ADR level within 92 per cent.  
The decline in the ADR indicates that banks are grappling with excess liquidity.  
Six out of nine foreign commercial banks registered a negative credit growth in September. As much as 27 local banks had less than 10 per cent credit growth.  
Money injection into the banking industry has been on the rise because

of the stimulus packages and the robust growth of remittances in the recent periods, said Md Arfan Ali, managing director of Bank Asia.  
"The central bank purchases dollar regularly from banks in the wake of falling imports, injecting a large amount of liquidity into the banking industry," he said.  
Such a trend will not bring any positive impact for banks as it usually puts an adverse effect on their profitability, Ali said.  
"Lenders are trying to sustain their regular operations at this moment," he said.  
Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the interest cost of banks is increasing because of the lower

credit demand.  
"We have to provide interest to depositors regularly, but the scope of lending has squeezed in the absence of vibrant economic activities," he said.  
Demand for retail loans is decreasing, and the middle and lower-middle income groups are struggling to survive from the economic hardship, Rahman said.  
Banks are also cautious in disbursing such loans as well, he said.  
Emranul Huq, managing director of Dhaka Bank, said a majority of businesses adopted a go-slow policy when it comes to expansion.  
"Many businesses that had earlier planned to set up new industrial

units or expand the existing ones have changed their plan. They will at least observe the overall situation until the end of February."  
The slowdown in credit growth indicates a struggling economy.  
The economy will pick up once the vaccine for the coronavirus is available in the country, Huq said.  
Bangladesh will receive the first consignment of Oxford-AstraZeneca's Covid-19 vaccine in January, Health Minister Zahid Maleque said last week.  
The health ministry has signed an agreement with Beximco Pharmaceuticals and the Serum Institute of India to purchase three crore doses of vaccines, developed by the Oxford University.

