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Govt in a fix over revised budget

Many ministries seek additional funds amid revenue shortfall

REJAUUL KARIM BYRON

The finance division is facing a difficult situation in fixing the size of the revised budget as many ministries and divisions are demanding additional funds amid shortfall in revenue collection.

The division has prepared a draft of the revised budget for the current fiscal year, leaving out the additional amount the ministries and divisions are demanding from the government coffers.

According to the draft outlay, the budget size may be reduced to Tk 450,000 crore, down 3.13 percent from the original budget of Tk 464,573 crore.

The amount of the budget cut will depend on the revised annual development programme (ADP), said a financial ministry official.

He said the ministry has sent a resource allocation proposal to the planning ministry, which was working on the revised ADP. If the revised ADP size is set in line with the resource allocation, the budget size will be cut by about 3 percent.

The ADP may revise down to Tk 165,000 crore from the original Tk 173,000 crore.



In the ADP, the allocation of foreign aid will be reduced to Tk 51,000 crore, from Tk 60,000 crore in the original allotment.

A planning ministry official says the ministries and the departments concerned have also confirmed that they would not be able to spend Tk 9,000 crore of the foreign aid. On the other hand, the government portion in the ADP may be set at Tk 114,000 crore, from Tk 113,000 crore in the original budget, although 35 ministries and divisions have demanded an additional Tk 36,000 crore.

The revised ADP will be fixed very soon at a meeting of the National Economic Council, the finance ministry official said.

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Sonali's profit hits 7-year high

JEBUN NESA ALO

Sonali Bank logged the highest net profit in seven years thanks to its deposits with different banks and massive drives to recover funds from loan defaulters.

The state-owned financial institution's net profit rose 41.60 percent year-on-year to Tk 1,000 crore in 2018, according to Bangladesh Bank data.

Of the total profit, more than 40 percent came from the investment in short-term deposits with different banks, said Nurul Islam, general manager of the bank.

"The massive recovery drive aimed at loan defaulters also helped the bank improve the financial health," said Islam, who is in charge of the business development and recovery divisions of the state lender.



The liquidity crunch in private banks throughout 2017 opened up the opportunity for cash-rich Sonali to make some profits from the money market. He said the bank had an investment of more than Tk 53,000 crore in the market as of December.

"So the bank went for depositing funds instead of expanding its lending activities."

Some other state banks—which had been suffering from fund crisis because of loan scams—also borrowed money from Sonali, Islam added.

Sonali is the biggest source of fund now as it sat on a deposit base of Tk 108,629 crore last year, according to the bank statement.

The advance-deposit ratio (ADR) of the bank was 42.69 percent last year, far below compared to the regulatory ceiling of 85 percent.

GMO not dangerous as many think

Says Nobel laureate Richard John Roberts

STAR BUSINESS REPORT

Agriculture needs the technology which enables creation of genetically-modified organisms (GMOs) in order to feed a growing number of people going hungry and meet their nutrition demands at lower costs, said a Nobel laureate.

"The GMOs are not dangerous for people though they have a wrong perception about it," said Richard John Roberts, who was awarded the 1993 Nobel Prize in medicine along with Phillip Allen Sharp for the discovery of introns in eukaryotic DNA and the mechanism of gene-splicing.

"Moreover, the GMO-approach is much safer and much better than traditional agriculture," he said,



Richard John Roberts
 He was speaking at a programme organised by the ACI in its Dhaka office on Thursday. Organisms are genetically modified to either control or develop particular qualities, such as making disease and pest-resistant crops.

The British biochemist and molecular biologist said some people, including Europeans, were running an anti-GMO movement in some countries although 141 Nobel laureates have examined and found no threat associated with the GMO technology.

"So, why will we go by bus to a destination instead of airplane? In the same way, why won't we introduce GMO technology that will give us huge production in a short span of time?"

The Nobel laureate cited an example of the benefits of the GMO technology.

Munshi warns against illegal stockpiling

STAR BUSINESS REPORT

The government will not allow any quarter to do brisk business by creating an artificial crisis in markets through illegal stockpiling of basic commodities, Commerce Minister Tipu Munshi warned yesterday.

"A normalcy in supply and demand of goods has to be maintained in the market," he said while addressing a seminar on the "role of Bangladesh Competition Commission in sustainable and inclusive development" at the Cirdap auditorium in Dhaka.

The commission organised the seminar to disseminate information among business communities about fair prices and proper demand and supply of basic commodities in the markets.

Trade body leaders, exporters, importers, local commodity traders and government high-ups attended the seminar, chaired by Iqbal Khan Chowdhury, the commission chairman.

"The government will not allow any illegal stockpiling of basic commodities and price hike ahead of Ramadan," said Munshi, adding that sometimes traders hike prices of goods cashing in on religious sentiments.

PREFABRICATED STEEL Tiger Steel making plant at Tk 200cr



A structure made of prefabricated steel.

JAGARAN CHAKMA

Tiger Steel Bangladesh plans to open a new prefabricated steel manufacturing plant in April.

The company has already spent Tk 20 crore on the factory being built on a 5.5-bigha land at Bhaluka in Mymensingh, said a top official of the company.

Another Tk 180 crore will be invested in the next two years, said Liton Kumar Sharma, managing director of the company.

"We have already imported necessary equipment and capital machinery from Korea and China and now the installation work is going on," he said.

A prefabricated building consists of factory-made components or steel that are transported and assembled on-site to form the complete structure.

According to Sharma, Southeast Bank is providing 30 percent of the cost to set up the new unit, which will produce 100 tonnes of prefabricated steel sections every day and the amount will increase gradually.

"We will manufacture prefabricated steel sections that can only be used for construction of buildings and industrial sheds," said Sharma, adding that the raw materials would be imported from China, India and Korea.

The company expects to create over 800 direct and indirect jobs once its new unit goes into operation, he said.

Sharma said the sector had been annually growing on an average by 15 to 20 percent in the last 10 years and it has a Tk 4,000 crore worth market now.

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US job creation growth halts

AFP, Washington

US job creation ground to a virtual halt last month, the government reported Friday, a blow to President Donald Trump's hopes for undiminished economic growth this year.

But after the unusually dramatic swing in the critical monthly data, economists -- whose forecasts missed badly -- hastened to say that underlying employment trends remained strong, and highlighted the hefty boost in worker pay. The figures also will be revised.