

City Bank avails IFC risk coverage for LCs

STAR BUSINESS DESK

City Bank has recently signed an agreement with International Finance Corporation (IFC) to participate in a Global Trade Finance Program (GTFP) as a confirming bank.

As a confirming bank, City Bank can receive risk coverage from the IFC to confirm letters of credit issued by other banks. This will enable it to cater to a higher volume of trade transactions amidst the pandemic, which will counter effects of the crisis, says a press release.

Sheikh Mohammad Maroof, additional managing director of City Bank, and Rosy Khanna, IFC regional industry director, Financial Institutions Group – Asia and Pacific, signed the agreement.

"This arrangement will further strengthen City Bank's ability in facilitating the country's trade business," said Maroof.

"Through the GTFP bank network, the City Bank can easily establish working partnerships with a vast number of major international banks and help businesses broaden access to finance, while reducing cash collateral requirements," said Khanna.

"Bangladeshi businesses whose cash flows have been heavily impacted by Covid-19 will also be able to benefit from a continuous flow of trade credit into the market. This will help in increasing trade, creating jobs, and reducing poverty," she added.



Sheikh Mohammad Maroof, additional managing director of City Bank, and Rosy Khanna, IFC regional industry director, Financial Institutions Group – Asia and Pacific, signed the agreement recently.

Confusion builds up over cryptocurrencies

FROM PAGE B1

If required, the police can investigate, the central bank said. Some top officials of commercial banks said that the letter had created a state of confusion about whether cryptocurrencies were legal or illegal in Bangladesh.

"The central bank should take a clear stance to this end immediately, or else it will create an ambiguity among commoners," said a senior banker.

Contacted, Md Serajul Islam, a spokesperson of the BB, said that there had been no confusion over cryptocurrencies as their use had been explicitly illegal under the laws of Bangladesh.

He, however, declined to comment on the central bank letter to the CID.

The intelligence agency has recently lodged several cases on the allegation of the use of cryptocurrencies.

An official of the CID said since they were investigating two cases filed in connection with cryptocurrencies, it sought suggestions from the BB regarding the offences.

Yesterday, Humayun Kabir, special superintendent of the Financial Crime Unit of the CID, however, said the agency was yet to receive any such letter from the central bank.

While looking into cases related to financial crimes, investigation officers seek suggestions from the central bank, he said.

Kabir, however, could not immediately confirm whether any of their officers wrote to the BB.

Asian stocks fall to 7-month low

REUTERS, Hong Kong

Asia's stocks fell to a fresh seven-month trough on Tuesday led by a third straight session of heavy selling by the Chinese internet giant, while bond and money markets remained in tight range ahead of Federal Reserve policy meeting.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.97 per cent to its lowest level since December, having fallen 2.45 per cent the previous day.

The Hong Kong benchmark fell 2.84 per cent on Tuesday, marking its third day of decline, with the Hang Seng Tec Index falling 6.46 per cent to its lowest level since its inception in July 2020. Three days and a decline of 41 per cent from the February peak.

BB in a fix with next monetary policy

FROM PAGE B1

But the central bank is yet to come up with a concrete decision, they said.

Excess liquidity in the banking sector stood at Tk 231,462 crore as of June, up 66 per cent year-on-year and 9 per cent a month ago.

This has primarily happened due to the weak private sector credit growth, which stood at 8.40 per cent last fiscal year against the central bank target of 14.80 per cent.

Experts say the central bank should maintain its expansionary monetary policy. At the same time, it should also mop up the excess liquidity to protect the financial sector from downside risks.

"There is no need for such a huge volume of excess liquidity to implement an expansionary monetary policy as the surplus fund does not play any role in pushing up demand," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Both poverty and unemployment are on the rise when excess liquidity is also showing an increasing trend.

"Institutional and individual investors now prefer unproductive zones, such as the stock market and the housing sector, to use their idle fund," Mansur said.

The benchmark index of the Dhaka Stock Exchange has surged in recent months riding on the excess liquidity. The DSEX stood at 6,389 points yesterday, up 54 per cent one year ago.

"The investment in the capital market will rise further if the central bank does not mop up money immediately," Mansur said.

"We do not want any liquidity shortage, but the excess fund is also undesirable."

Mansur, also a former economist of the International Monetary Fund, said the central bank should gradually convert its unconventional monetary policy into a conventional one.

The central bank should consider opening the windows of the reverse repo (repurchase agreement) and BB bill such that banks can invest surplus money efficiently. This will discourage them from turning to the stock market, he said.

The window of the reverse repo will allow banks to invest funds at 4 per cent at the central bank on an overnight basis.

The BB Bill is another option where banks can park funds for a maximum of 30 days. The interest rate depends on the demand.

Investment through the two windows has been stopped for more than a year, BB officials said.

They said that a concerned department of the BB had recently recommended its high-ups reopen the two windows, but another department had opposed the idea.

Several banks have shown their interest to invest their idle money through the windows, they said.

Mansur also said that the central bank might even think of raising the rate on the CRR.

The CRR determines the portion of customer deposits that commercial banks must keep as a reserve with the central bank.

A higher CRR means the banks must hold higher reserves and thus tighten the flow of cash.

A senior official of the central bank said that the policy would emphasise attaining the GDP growth of 7.2 per cent and contain the inflation at 5.3 per cent as per the government target for the current fiscal year.

"The upcoming policy will try its best to ensure adequate loans for the productive sector," he said.

Mansur urged the government to withdraw the 2 per cent incentive on remittance as its record flow had already had an adverse impact on the money market.

The central bank buys excess dollars from banks by injecting the local currency. If the BB starts to mop up the taka, it will have to pay interest.

"The whole process will hamper the effective implementation of the monetary policy," Mansur said.

Salehuddin Ahmed, a former governor of the BB, said that the country would not face any inflationary pressure in the next two or three months.

"Still, the excess liquidity should be mopped up to ensure macroeconomic stability."

A certain amount of liquidity should be available in the market as it is required for the productive sector, particularly small and medium enterprises.

The central bank should ensure the credit flow to the agriculture sector and export-oriented industries as well, Ahmed said.

"The initiatives will improve the purchasing power of the common people."

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that money should be available for the people so that the fall in demand could be arrested.

He also said that the central bank might reduce the excess liquidity to some extent by following an expansionary monetary policy.

The BB will unveil its monetary policy at a time when inflation was ticking up.

And yesterday, the International Monetary Fund said elevated inflation was also expected in some emerging market and developing economies, related in part to high food prices.

"Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics," the crisis lender said in its World Economic Outlook Update.

"Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions."

Robi profit drops 20pc

FROM PAGE B1

Though its profit dropped in the second quarter, its half-yearly profits increased by around 5 per cent year-on-year to Tk 80.93 crore.

Now, its earnings per share stood at Tk 0.15 in the first half, according to the company's financial report.

During the period, the operator's revenue hit Tk 4,011 crore -- an 8.12 per cent year-on-year jump.

The company yesterday uploaded its financial report on its website.

When Robi got regulatory approval for an initial public offering, its net profit was standing at around Tk 20 crore, earnings per share Tk 0.04 as per audited reporting year of 2019 and turnover Tk 7,481 crore.

The company raised Tk 523.7 crore from the stock market by offloading 52.37 crore shares for Tk 10 apiece last year.

Of the amount, around Tk 136 crore came from the telecom operator's employees while the remaining Tk 387.7 crore from the market.

Robi was the first operator to roll out 3.5G services in Bangladesh. It then introduced 4.5G services across 64 districts in 2018.

It was also the country's first operator to test 5G service on its network.

The carrier started its journey in 1997 under the brand name Aktel. It changed its name to Axiata (Bangladesh) in 2009 and then to the present Robi Axiata in 2010.

Nagad to issue Tk 500cr zero-coupon bond

FROM PAGE B1

The bond issuance announcement came on July 26 in New York at an investors' road show organised by the BSEC. Nagad, which is one of the key partners of the event, has received initial approval from the BSEC for issuing the bond, the company said in a statement.

Riverstone Capital is acting as the arranger of the bond while Green Delta Capital will be the trustee, it added.

Tanvir A Mishuk, managing director and co-founder of Nagad, said the bond market had turned vibrant in the recent past.

"We consider this as a better source to raise investment," he said.

Nagad has secured 5.3 crore customers within two years and three months. Its customers are transacting

Tk 700 crore daily.

To maintain the growth momentum, it is essential to build a new digital ecosystem and infrastructure, Mishuk added.

BSEC Chairman Professor Shibli Rubayat-Ul-Islam said the stock market regulator was working towards the development of Bangladesh's capital markets, particularly the debt market, to help meet the long-term needs of industries and infrastructure.

Mohammad Rezaul Karim, spokesperson of the BSEC, said Nagad was yet to get the final approval for the bond but it had placed its application.

"Its approval is in the final stage," he said, adding that the regulator gave a no-objection certificate to Nagad to go for an MoU with the foreign investor.

As an MFS, Nagad has been

operating without any full-fledged licence from the central bank since beginning its journey in March 2019.

Bangladesh Bank by the end of June this year extended the interim approval for another three months to September. This was the third extension.

In March last year, the central bank asked lenders not to provide any service to unauthorised payment or MFS providers and operators in the interest of depositors.

This forced the BPO to take an interim approval from the central bank for six months as all banks had suspended transactions with Nagad.

Third Wave Technologies had been acting as master agent of the MFS termed as Nagad since the BPO launched the service. Later the company was renamed Nagad.

Container vessel impounded at Ctg port

FROM PAGE B1

It has also allowed a few new vessels to ply the Chattogram-Colombo route.

MSC Kyma was about to leave on July 20 after loading 1,080 TEUs (twenty-foot equivalent units) of export-laden containers when the High Court order came.

CPA Harbour Master Captain Zahirul Islam said the vessel was immediately impounded. Sources said a Dhaka-based importing firm, RB Con-cast and Reolling Mills (Pvt), filed the admiralty suit.

According to the case statement, the RB had signed a contract with UK-based supplier SRP World on February 4 this year to import 500 tonnes of heavy melting scrap.

MSC Kyma arrived at the port on July 17 with the scrap in 23 containers. However, the RB was unable to receive the goods.

This was because Chattogram-based HM Steel Industry was asked to take the delivery instead of the RB, said the case statement.

The shipping company, Geneva-based Mediterranean Shipping Company SA, said the supplier SRP

had mentioned HM as the importer at the loading port.

Contacted, Ajmir Hossain Chowdhury, head of operations and logistics of the shipper's local agent, said they came to know that the RB had opened the letter of credit (LC).

The dispute is between the importer and supplier but the importer filed the suit against the vessel, he said.

Each day that the vessel overstays results in additional operational costs of around \$20,000, he said.

Uncertainty prevails over whether the export cargoes the vessel is carrying can be timely shipped, said Chowdhury.

A connecting mother vessel has already left the transshipment port on July 26 without taking those containers while the next mother vessel is scheduled to leave next week and chances are that too could be missed, he feared.

He said they were contacting with the ship's international P&I (protection and indemnity) Club to avail a High Court bail paying a bank guarantee of Tk 2.61 crore, the LC value claimed by the plaintiff.

Stocks fall ahead of monetary policy announcement

FROM PAGE B1

Peoples Insurance Company topped the gainers' list, rising 9.91 per cent, followed by Saffo Spinning Mills, eGeneration, Global Heavy Chemicals and Beach Hatchery.

Stocks of Saif Powertec traded the most, worth Tk 64 crore, followed by Baraka Patenga Power, Beximco, GPFI Ispat and British American Tobacco Bangladesh.

Tamijuddin Textile Mills shed the most, falling 7.41 per cent, followed by Baraka Patenga Power, Fu Wang Foods, Popular Life Insurance Company and Active Fine Chemicals.

The port city bourse also rose yesterday. The CASPI, the general index of Chittagong Stock Exchange, advanced 83 points, or 0.45 per cent, to 18,532.

Among 309 stocks to undergo trade, 114 advanced, 163 dropped and 32 remained unchanged.

Linde profit soars 64pc, amps up stocks

FROM PAGE B1

cent growth year-on-year compared to Tk 34 crore in 2020.

However, the company still struggles to attain the revenue logged in the first-half of 2019, when it stood at Tk 283 crore.

Linde caters to the needs of more than 35,000 customers from a wide range of industries, including chemical, steel and healthcare.


But ever since the pandemic began, the company's main focus has been on meeting the local demand for medical-grade oxygen with hospitals being the main priority, according to its annual report for 2020.

In the first half of 2021, Linde's earnings per share (EPS) increased mainly due to its higher revenue compared to last year, when businesses were heavily

impacted by the strict countrywide lockdown, said Abu Mohammad Nisar, company secretary of Linde Bangladesh.

The company's EPS rose to Tk 41.42 in the first half of the year while it was Tk 25.16 in the same period the year before.

"Its net operating cash flow rose as well due to increased revenue and lower operational costs," he added.



Dhaka Shishu (Children) Hospital

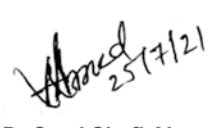
Sher-e-Bangla Nagar
Dhaka-1207

Issue No. DSH/Development/2021/009 Date: 25.07.2021

Invitation for Tenders

1	Procuring entity name	Director, Dhaka Shishu (Children) Hospital.		
2	Procuring entity district	Dhaka.		
3	Invitation for	(Framework Agreement) Cardiac Mechanical Devices & Cardiac Disposable Items.		
4	Invitation Ref No.	009/2021		
5	Procurement method	OTM (NCT).		
6	Budget and source of funds	Prime Minister's Relief & Welfare Fund.		
7	Tender last selling date and time	24/08/2021, during the office hour within 02:00pm.		
8	Tender closing date and time	26/08/2021 at 12:00 Noon.		
9	Tender opening date and time	26/08/2021 at 01:00pm.		
10	Name & address of the office(s)	Office of the Director, Dhaka Shishu (Children) Hospital, Sher-e-Bangla Nagar, Dhaka-1207.		
11	Name & address of the office(s) Selling tender document	1. Primary Place: Office of the Director, Dhaka Shishu (Children) Hospital, Sher-e-Bangla Nagar, Dhaka-1207. 2. Secondary Place: Sher-e-Bangla Nagar Police Station, Agargaon, Dhaka-1207.		
12	Name & address of the office(s) Receiving tender document	1. Primary Place: Office of the Director, Dhaka Shishu (Children) Hospital, Sher-e-Bangla Nagar, Dhaka-1207. 2. Secondary Place: Sher-e-Bangla Nagar Police Station, Agargaon, Dhaka-1207.		
13	Name & address of the office Opening tender document	Office of the Director, Dhaka Shishu (Children) Hospital, Sher-e-Bangla Nagar, Dhaka-1207.		
14	Brief eligibility and qualification of tenderer	All requirements described in the Standard Tender Document (STD).		
15	Brief description of goods	(Framework Agreement) Lot-01: Cardiac Mechanical Devices Lot-02: Cardiac Disposable Items		
16	Price of tender document	Tk 5000/- (five thousand only).		
Package No. GD-1	Lot No.	Identification of lot	Location	Tender security amount (Tk)
	1	Cardiac Mechanical Devices	Dhaka Shisu (Children) Hospital, Dhaka-1207	2.5% of bid amount
2	Cardiac Disposable Items	Dhaka Shisu (Children) Hospital, Dhaka-1207	2.5% of bid amount	Completion time in weeks/months Within 36 months from the date of signing the contract and as per call-off order
17	Name of official inviting tender	Prof. Dr. Syed Shafi Ahmed.		
18	Designation of official inviting tender	Director, Dhaka Shishu (Children) Hospital.		
19	Address of official inviting tender	Dhaka Shishu (Children) Hospital, Sher-e-Bangla Nagar, Dhaka-1207.		
20	Contact No. of official inviting tender	55054051-60		
21	The procuring entity reserves the right to accept or reject the tender proceedings.			

The tender notice can be seen at website www.dsh.org.bd and www.cptu.gov.bd



Prof. Dr Syed Shafi Ahmed
Director
Dhaka Shishu (Children) Hospital

GD-1380