

# Ensure equitable distribution of resources

Experts say at Sanem webinar

STAR BUSINESS REPORT

Experts yesterday emphasised equitable distribution of resources to improve the lives of poor people in Bangladesh as it would help the country achieve its social goals.

Following 50 years of independence, Bangladesh has achieved the expected results in agriculture, industry, education, technology and population control but the country is lagging behind in the equitable distribution of resources, they said.

The event, styled "50 Years of Bangladesh: Achievements, Challenges and Lessons", was organised by the South Asian Network on Economic Modeling (Sanem).

"Only a few people have benefited from the country's development works as the initiatives are not sustainable and are taken without prioritising the common people," said Qazi Kholiqzaman Ahmad, chairman of the Palli Karma-Sahayak Foundation.

For this reason, the poverty rate is increasing every year while most of the country's wealth stays in the hands of certain people.

As such, 5 per cent of the richest people in Bangladesh currently own about 28 per cent of the country's total wealth even though they collectively held around 10 per cent just 10 years ago.

"This is not in line with the main goals of independence," Ahmad added.

Speakers were questioned by a group of students at the event, which was moderated by Selim Raihan and Sayema Haque Bidisha, the executive director and research director of Sanem respectively.

Professor MM Akash, chairman of the department of economics at the University of Dhaka, said even after 50 years of independence, the government has not been able to collect fair taxes from rich people, which is a major obstacle for the equitable distribution of wealth.

"Dishonest businessmen, bureaucrats and politicians are the main barrier to implement good governance as 99 per cent of the people are being held hostage by the top 1 per cent," he added.

Professor Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said the government is creating new poor by emphasising on indirect taxes instead of direct taxes.

"Instead, the National Board of Revenue should focus on increasing income tax collection at the individual level through proper monitoring," Rahman added.

Sohela Nazneen, research fellow of the Institute of Development Studies in the UK, was among the panelists.

# Economy's three looming challenges

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Shah Md Ahsan Habib, professor of the Bangladesh Institute of Bank Management, said that the global higher inflation might persist for long.

"Higher inflation will repeatedly hit the poor. And there is no room to avoid it," he said, urging the government to widen its social safety net programmes for the poor so that they can fight against the price increases.

He called for a new stimulus package for cottage and micro enterprises to offset the inflationary pressure.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, echoed, saying the government should increase food supply under the social safety net programmes to tame food inflation.

The central bank's stimulus package of Tk 20,000 crore for cottage, micro, small and medium enterprises should be implemented in a prompt manner, he said.

Banks disbursed only Tk 2,800 crore from the package between July and November. "If small enterprises get loans, they will go from strength to strength," said Mansur.

Salehuddin Ahmed, a former Bangladesh Bank governor, said that the inflation would ease to some extent if the government removed supply chain barriers in the domestic sector.

Taka should be devalued despite high inflationary risk

Mansur said that the central bank should depreciate the taka more against the US dollar in order to discourage imports.

"Although the depreciation will increase the inflation a bit, it will help keep the

macro-economy stable."

The BB now intervenes in the foreign exchange market by injecting US dollars to keep the exchange rate stable. It pumped a record \$2.17 billion between July 1 and December 12.

The dollar injection has already hit the reserves badly. It surpassed a record \$48 billion in August only to decline to \$45 billion on December 9.

"Devaluation of the local currency will help protect the reserves," said Mansur, adding that there is a room to depreciate Tk 2-Tk 3 per dollar.

The exchange rate of the taka stood at Tk 85.80 per dollar yesterday, down from Tk 84.80 a year ago, down 1.17 per cent.

Reconsider 9% interest rate cap on lending

A majority of banks have come under liquidity crunch as credit demand has gone up. On top of that, cash has dried up as lenders are purchasing the greenback from the central bank in exchange of the taka.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that his bank would not disburse any loans below 9 per cent interest rate at this moment.

Banks had disbursed loans at the interest rate of 6-7 per cent a couple of months ago, but time has changed, he said.

The cost of deposits has gone up to 6 per cent after remaining at a range of 2 to 4 per cent three-four months earlier.

"The deposit rate will increase further within a month or two amid liquidity stress. If the rate goes up, it will be difficult for banks to give out loans at 9 per cent,"

said Rahman.

"This will discourage banks from lending as they have to keep an additional one per cent in provision against the fund."

Under the circumstances, Treasury bills and bonds will be popular among banks as the yields of the government securities are on the rise. But this will deprive borrowers.

"The central bank should consider the overall situation in the interest of the economy," Rahman said.

A BB official says that the excess liquidity in the banking sector is still high, but it has not had much impact since the crunch is largely limited to a few banks.

The surplus fund stood at Tk 2.17 lakh crore in November, down 1.36 per cent from a month ago and up from 11.60 per cent year-on-year.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, says the injection of the dollar in exchange of the taka has put pressure on the interest rate spread, the gap between the interest and the deposit rates.

"This will discourage banks from lending at 9 per cent."

The government set the lending cap in April 2020.

He urges the government to reconsider the interest rate ceiling given higher inflation.

"If banks don't disburse loans as per requirement of the private sector, the ongoing recovery will face obstacles."

Private sector credit growth in Bangladesh accelerated to 9.44 per cent in October, the highest in 13 months.

# Maiden green zero-coupon bond for SMEs

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alternative source of fund, compared to a conventional term loan.

Standard Chartered was the mandated lead arranger for the transaction. The total face-value of the bond is Tk 100 crore.

The announcement was made at a ceremony at the head office of the Bangladesh Securities and Exchange Commission (BSEC) on Thursday.

Speaking in the press release, Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said in order to achieve the country's collective ambition of transforming into a high-income country by 2041 while building resilience to climate change and other delta challenges, more of business-as-usual would not be enough.

"Green finance holds verdant possibilities for the next phase of our growth journey."

Prof Shibli Rubayat-ul-Islam, chairman of the BSEC, said, "Green bonds have the potential to become powerful financial tools in creating positive climate action



STANCHART

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, Prof Shibli Rubayat-ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC), and Zahida Fizza Kabir, CEO of Sajida Foundation, pose at a programme at the BSEC office in Dhaka on Thursday. The bank has arranged a Tk 100-crore green zero-coupon bond for Sajida Foundation.

for Bangladesh, with the growing demand for investments addressing climate risks."

"We recommend Sajida Foundation and Standard Chartered for leading the way for green finance in the

MSME sector, setting a milestone in the development of vibrant green bond market in Bangladesh."

Sajida Foundation's microfinance programme offers a diverse range of collateral-free financing for MSMEs along with customised savings products to meet the needs of a population segment that can't readily access formal financial services.

The programme is being run through 228 branches in 22 districts, serving over half a million clients, according to the NGO's 2019-20 annual report. Outstanding loans stood at Tk 1,785 crore in FY20, up from Tk 461 crore a year ago.

Last month, Standard Chartered Bangladesh arranged the country's first-ever green bond for Pran Agro Ltd, a concern of Pran-RFL Group. The total face value of the bond is Tk 150 crore.

In October last year, the international lender received regulatory approvals for issuing Tk 850 crore zero-coupon bond, the first by a bank in Bangladesh.

Zahida Fizza Kabir, CEO of Sajida Foundation, was present at the event.

# Medical PPE to help diversify exports

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The local pharmaceutical industry meets 98 per cent of the domestic demand for medicine and exports drugs to 57 other countries, but it imports more than 95 per cent of its required medical devices, he said.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, emphasised on the need to attract foreign direct investment to the MPPE industry as it is a potential area for export diversification.

Nuzhat Anwar, acting country manager for Bangladesh, Bhutan

and Nepal of the International Finance Corporation (IFC), said businesses need to find innovative and sustainable ways to boost their production and export revenue to recover from the Covid-19 fallout.

The IFC is providing the necessary support to bridge knowledge gaps in the MPPE industry in order to enhance private sector growth and facilitate the country's economic recovery, she said.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, mentioned that the

plastic industry has been playing a key role in supplying essential equipment amid the pandemic.

In a keynote presentation on the market assessment for MPPEs, Shubham Gupta, a partner at Deloitte, highlighted that the private sector should lead the line in building capabilities and market development by concentrating on the knowledge management of technical and testing issues, market intelligence, and global outreach to collaborate with leading brands.

Deloitte identified 12 MPPE products that bear high-potential

for development.

In another keynote presentation on the policy and regulatory environment, Ferdous Ara Begum, chief executive officer of BUILD, said Bangladesh is already making progress in the MPPE sector.

This is especially true in the case of 12 products, of which eight are included in the World Health Organisation's list of MPPE.

MPPEs are highly regulated with stringent quality requirements and require strong technical know-how to produce, she said. "And this has emerged as a key challenge."

**Government of the People's Republic of Bangladesh**  
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শেখ হাসিনার মূলনীতি  
এম শহরর উন্নতি

Memo No. 46.02.0000.794.07.033.21.1340 Date: 13-12-2021

**e-Tender Notice (2<sup>nd</sup> Call)**

e-Tender is invited in the National e-GP System Portal (<http://www.eprocurement.gov.bd>) for the procurement of the following Goods listed below:

Sl No	Name of Goods	Tender Reference No.	Tender ID	Last Date of Selling Documents Through Online	Last Submission
1.	Procurement of 4 nos Photocopier (Heavy Duty) under Municipal Governance and Services Project (MGSP). Package No. MGSP/PMU/G-19	APP ID No. 169675	636966	11/01/2022 at 5.00 pm	12/01/2022 at 1.00 pm

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.eprocurement.gov.bd>) is required.

The fees for downloading the e-Tender Documents from National e-GP System Portal have to be deposited online through any registered Banks' Branches.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

13.12.2021  
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GD-2309

**Government of the People's Republic of Bangladesh**  
Bangladesh Police  
Police Headquarters, Dhaka  
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শেখ হাসিনার মূলনীতি  
এম শহরর উন্নতি

Memo No. 44.01.0000.984.07.015.21-2565 Date: 13/12/2021

**Request for Expression of Interest (Firm)**

1. Ministry/Division	Ministry of Home Affairs.
2. Agency	Bangladesh Police.
3. Procuring entity	AIG (Sports and Culture), Bangladesh Police, Police Headquarters, Dhaka.
4. Expression of Interest	For Selection of Training firm.
5. EOI Reference No.	44.01.0000.984.07.015.21-06 (2021-2022)
6. Date	13/12/2021
<b>KEY INFORMATION</b>	
7. Procurement method	Quality & Cost Based Selection (QCBS).
<b>FUNDING INFORMATION</b>	
8. Budget & source of fund	GOB (Revenue Budget).
<b>PARTICULAR INFORMATION</b>	
9. Project/program code/budget code	1220201-105954-Headquarters, Bangladesh Police, 3231301-Training.
10. Project/program name	Training for Chess Players.
11. EOI publication date	14/12/2021
12. EOI closing date & time	29/12/2021, 12:00pm.
13. EOI opening date and time	29/12/2021, 12:30pm.
<b>INFORMATION FOR APPLICANT</b>	
14. Brief description of the assignment	<b>Practical Training:</b> History of Chess, Introduction of Chess board & pieces, The Moves of the Pieces, Castling Move in Pieces, Notation Sheet, Checkmate Technique, Chess-How to Draw, Chess-Opening, Chess-Planning, Chess-Middle Game, Chess-Middle Game Tactics, Chess-Process of Co-ordination, Chess-End Game, Chess-Diagram Analysis, Chess-Different Strategy, Chess-Tournament Rules, Puzzle Solving, Previous international Games Analysis, Mating motifs, Basic operation principle, Simple pawn endings, The discovered attack, Centralizing the pieces, The double attack, Realizing a material advantage, Open files and outposts, General endgame principles, Zugzwang, The Greek gift sacrifice, Tournament, Pawn endings, The backward pawn, Drawing combinations, Rook against knight, Opening traps, The principles behind mobilization, Mate in two moves, Simple rook endings, Trapping pieces, Forced Variations, Attacking with queen and bishop, Positional advantages, Practice & Trouble Shoot, Conclusion.
15. Qualification & experience	<b>Firm must have:</b> (i) Experience in providing in-depth training to the players. (ii) Statement of skilled & professionally competent work force of the organization. (iii) Sound financial standing supported by appropriate bank solvency certificate. (iv) Valid trade license, VAT, up-to-date income tax certificate.
<b>PROCURING ENTITY DETAILS</b>	
16. Name of official inviting EOI	Shorif Mostafizur Rahman.
17. Designation of official inviting EOI	AIG (Sports and Culture), Bangladesh Police, Police Headquarters, Dhaka.
18. Address of official inviting EOI	NCCOM Building (1st Floor) Room No. 222, Sports & Culture, Police Headquarters, 6, Phoenix Road, Fulbaria, Dhaka.
19. Contact details of official inviting EOI	Phone: 55101621 Fax: 55101621 aigsports_culture@police.gov.bd
<b>SPECIAL INSTRUCTIONS</b>	
20.	a) No EOI will be received after the deadline for submission. b) The procuring entity reserves the right to reject any EOI and to annul the EOI proceeding. c) If not possible to receive/open the EOI on the scheduled date in any unavoidable circumstances, the same will be received/opened on the next working date at the same time and same venue. d) The procurement will be performed according to the Public Procurement Act-2006 and Public Procurement Rules-2008.

13.12.2021  
Shorif Mostafizur Rahman  
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GD-2298

# Canada may renew policy framework amid inflation worries

REUTERS, Ottawa

The Bank of Canada may renew its monetary policy framework on Monday, leaving its inflation target unchanged at 2% as concern about the cost of living rises and the COVID-19 outlook remains uncertain.

The central bank and the finance ministry review the inflation target, which expires at year-end, every five years. It has been set at the 2% midpoint of a 1%-3% control range for the last 30 years.

An announcement is due and 10 a.m. EST (1500 GMT) and the bank's governor, Tiff Mackle, and Finance Minister Chrystia Freeland are speaking to reporters an hour later.

Canada's policy makers are shunning a major shift in monetary policy strategy similar to the one adopted by the U.S. Federal Reserve last year, a source told Reuters on Thursday.