

# star BUSINESS

Trial run of Patenga terminal hits a snag

DWAIPAYAN BARUA, Ctg

The planned trial berthing of a vessel at the newly built Patenga Container Terminal (PCT) in the Chattogram port could not be begun yesterday due to the non completion of some works.

The Chittagong Port Authority (CPA) last week announced that it would start the trial operation of the terminal by berthing a bulk vessel in one of the four jetties of the PCT, whose construction began in 2017.

Some trial tests such as jetty load test, pile load test and mooring bollard load test for checking the load capacity of various parts of the jetties are yet to be carried out.

**Chittagong Port Authority last week announced that it would start the trial operation of the terminal by berthing a bulk vessel in one of its four jetties**

CPA Chairman Rear Admiral M Shahjahan said some test trials and mechanical works need to be done before berthing a vessel.

"Otherwise, accidents might take place."

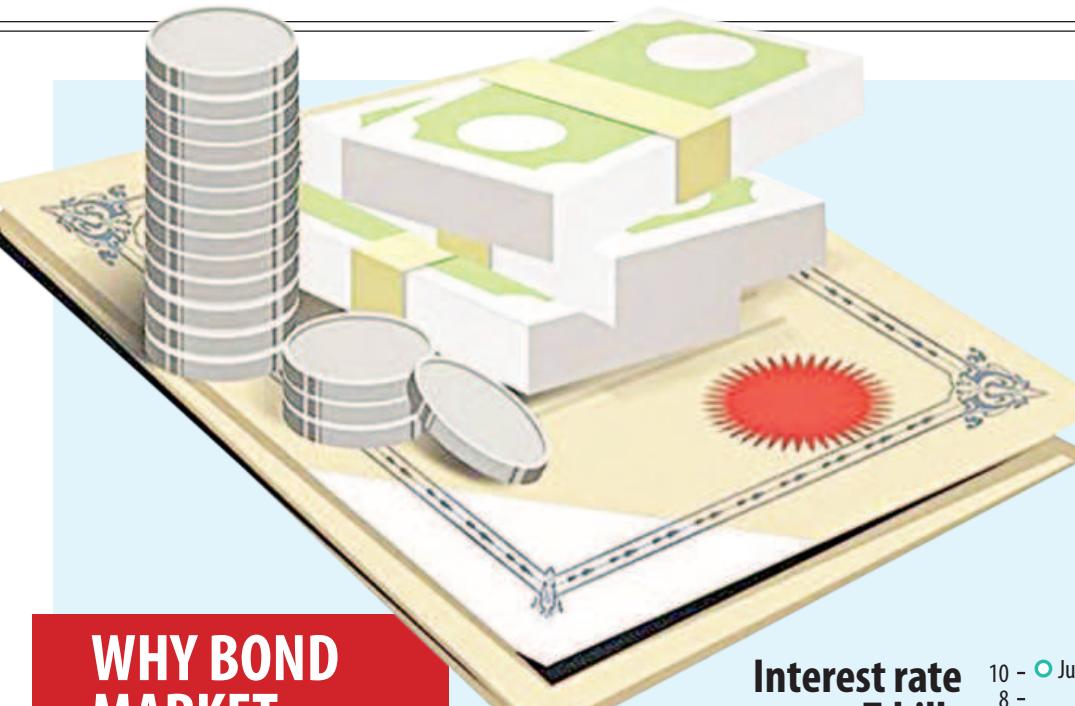
Load calibration of the weighbridge to synchronise with the entry and exit points has not been done yet. If the calibration is not completed, the authorities would be not able to perform the required verified gross mass test of container-carrying vehicles.

"We are trying to complete these works in the quickest possible time," said Shahjahan, adding that the trial operation might take place by the end of July.

The government approved the project to construct the terminal having three container jetties and a dolphin jetty on around 32 acres of land at Patenga in June 2017.

According to the initial proposal, the project was supposed to complete by December 2019. The implementation period was

READ MORE ON B3



## WHY BOND MARKET UNSTABLE

Forex market volatility responsible for interest rate hike of bonds

Lenders are still unhappy with the rate



Banks reluctant to invest in bonds due to liquidity pressure

BB's financing for govt is keeping interest rate on bonds below 9pc

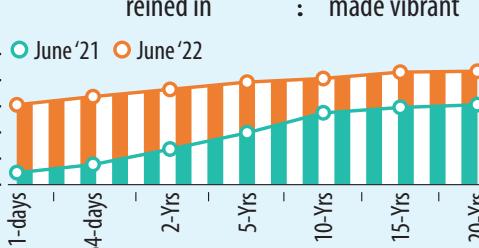


Funds disbursed by BB may stoke inflationary pressure

### Interest rate on T-bills and bonds

In %

SOURCE: BB



**BB should withdraw 9pc lending interest cap**  
**It should bring down govt financing**  
**Injection of dollar by BB should be reined in**  
**Inter-bank dollar trading should be made vibrant**

**Bangladesh Bank should not invest in government securities at this moment as it will stoke inflation further**

says an expert

## SOLUTIONS



BB should withdraw 9pc lending interest cap



It should bring down govt financing



Injection of dollar by BB should be reined in



Inter-bank dollar trading should be made vibrant

## Forex crisis spills over to bond market

AKM ZAMIR UDDIN

Banks in Bangladesh are already in a tight liquidity situation since they have to buy US dollars at higher rates to settle import bills.

So, they are not keen to invest in the government's long-term securities and bonds although the investment tools offer much higher rates compared to a year ago. Rather, they are on the lookout for higher returns in order to make the most out of their limited funds.

As a result, the government is struggling to raise funds from commercial banks to meet its expenditures by issuing Treasury bills and bonds with yields ranging from 6 per cent to 8.65 per cent. The yield ranged from 0.79 per cent to 6 per cent a year ago.

In order to support the government, the central bank itself is investing in the securities in a massive way, a move that may fan inflation, which hit a nine-year high in June owing to the volatility in global commodity markets.

Experts warn that banks' capacity to lend to the government will erode in the days to come due to the ongoing instability in the foreign exchange market of Bangladesh.

The central bank has lent Tk 7,792 crore to the government so far in July through the purchase of T-bills and bonds.

The government has set a bank borrowing target of Tk 106,000 crore for the current fiscal year. But it may overshoot the target owing to weak revenue collection.

The government borrowed

11 per cent year on year.

The central bank has injected \$808 million into the money market in the first couple of weeks of the current fiscal year to keep the foreign exchange market stable.

Bangladesh's international currency reserves fell to \$39.67 billion on Wednesday in contrast

for them to invest in long-term T-bonds.

The interest rate on the 10-year T-bond is 8.1 per cent.

"Nobody can predict the market behaviour, which is now facing liquidity pressure. Besides, a majority of deposits are short-term with tenures standing at six months and below," Rahman said.

A BB official, on condition of anonymity, says that some lenders are quoting more than a 9 per cent interest rate at the auction of government securities.

Since banks are seeking more than 9 per cent interest rate on government securities, the central bank is now purchasing those bills and bonds to keep the interest rate below 9 per cent, he said.

"The ongoing tight liquidity situation will improve thanks to the BB's investment in the securities," said Mirza Elias Uddin Ahmed, managing director of Jamuna Bank.

"Such investment will create new money in the market."

However, there is a possibility that the BB's investment will leave an adverse impact on inflation.

"So, banks should place an emphasis on disbursing loans to the productive sector in order to

READ MORE ON B3



Tk 72,749 crore from banks last fiscal year in contrast to Tk 24,292 crore the year before.

In the last fiscal year that ended on June 30, banks bought a record \$7.62 billion of US dollars from the central bank with a view to meeting the demand of importers. This means a large amount of local currency was automatically mopped up, creating liquidity pressure in the banking system.

Excess liquidity at banks stood at Tk 189,183 crore in May, down

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says the interest rates on the T-bills and bonds have increased significantly in recent months, but they are not good enough to draw banks.

This is because many banks have to collect deposits at 7.50 per cent, which makes it difficult

to \$46.15 billion in December, owing to abnormally high imports, which swelled by 39 per cent to \$75.40 billion between July and May.

Syed Mahb