

Moody's sounds alarm bells on banking sector

Downgrades outlook on banking system to negative

REJAUL KARIM BYRON

Major global rating agency Moody's yesterday downgraded its outlook of Bangladesh's banking system from stable to negative – a crushing development that is set to make foreign transactions trickier and costlier for businesses and banks.

This comes after the New York-headquartered agency in December last year lowered the ratings of Social Islami Bank and put up the ratings of seven Bangladeshi banks' under review for downgrade.

"Moody's have rightly downgraded the outlook – the international financial institutions are concerned about our banking sector," said Ahsan H Mansur, chairman of Brac Bank, one of the seven banks bracing for a rating downgrade.

The implication of this is transaction costs for foreign trade financing will increase, which, in turn, means the cost of

business will go up. "This outlook downgrade has reaffirmed our correspondent banks and our international partners' assumptions about the strength of our banking sector," said Syed Mahbubur Rahman, managing director and chief executive officer of Mutual Trust Bank.

There might be problems with international payments, particularly with confirmation of letters of credit.

"Already, we have been impacted. For dollar shortage, there were instances when we couldn't pay even after the instruction went – those were viewed as default."

So many foreign institutions are curtailing credit limits for Bangladeshi banks or declining to increase limits.

Besides, foreign investors will avoid local banks for handling their money in Bangladesh after this downgrade, Rahman said.

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The BIWTA, the government authority designated to protect rivers, has set up demarcation pillars along the Turag in Tongi's Nishat Nagar area. But it itself is building a walkway occupying a part of the river. The photo was taken yesterday.

PHOTO: ANISUR RAHMAN

No more austerity

NEC deems the economic situation has improved

REJAUL KARIM BYRON

The government has officially abandoned the austerity stance it took on at the beginning of the fiscal year as it deems the economy is nearing good health.

"The prime minister said the economic situation is okay now," Shamsul Alam, the state minister for planning, told reporters as he emerged from yesterday's meeting of the National Economic Council presided over by Sheikh Hasina.

"But there might be trouble ahead. So we must be cautious," he said, adding that the PM has instructed swift recruitment of manpower to make the maximum use of the infrastructure the current Awami League government has built during its time.

At the meeting, the budget for the annual development programme was set at Tk 227,566.09 crore, down by 7.5 percent from the original allocation – the biggest downward revision since fiscal 2015-16.

"Austerity measures are still on but

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TORTURE OF PHULPORI HC orders IU to suspend 5 students

Hall provost withdrawn after court order; BCL expels the five

STAR CORRESPONDENT

The High Court yesterday ordered the Islamic University to suspend the five students who tortured a female student at a dorm in mid-February.

The HC bench of Justice JBM Hassan and Justice Razik-Al-Jalil also asked the university to withdraw Prof Shamsul Alam from the post of provost at Deshratna Sheikh Hasina Hall as he did not do anything to prevent the incident.

Officials of the university in Kushtia said the provost was withdrawn yesterday evening.

A university disciplinary committee meeting, required to suspend any student, will be held on Saturday, said Proctor Shadat Hossain Azad.

Meanwhile, the Bangladesh Chhatra League yesterday expelled the five students from the organisation.

Of the students, Sanjida Chowdhury Antora was the Chhatra League vice president at the university while Halima Akhtar Urmii, Ishrat Jahan Mim, Tabassum Islam, and Mawabia Jahan were activists.

Phulpori Khatun, a first-year non-resident student, on February 14 alleged that Sanjida and several others tortured her for hours on the night of February 12 for

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'I want to go home'

BNP leader Salahuddin tells Star after Indian court acquits him

STAFF CORRESPONDENT

A higher court in Shillong on Tuesday upheld the acquittal of BNP leader Salahuddin Ahmed who was charged with trespassing into India in 2015.

The judge also asked the Indian government to take steps to send him back to Bangladesh, Salahuddin said.

"The unbearable pain of living in exile cannot be expressed in words," Salahuddin told The Daily Star, adding, "I am eagerly waiting to return home. I hope that the Indian government and local administration will take immediate steps in line with the court order."

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FACILITATING WORK OF METRO Gabtoli terminal to be relocated in a year and half



TUHIN SHUBHRA ADHIKARY

Gabtoli Bus Terminal, the largest and the busiest inter-district bus terminal in the capital, has to be relocated for the construction of a metro rail line. This may lead to suffering for tens of thousands of passengers every day.

Although the Dhaka North City Corporation (DNCC) has a plan to move the terminal out of the capital permanently, the plan is still at the preliminary stage.

Amid this, the metro rail authorities are working within one and a half years to facilitate the construction of the Mass Rapid Transit (MRT) Line 5 (northern route). The temporary relocation will be done for four-five years, officials said.

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BUSINESS

Remittance rises in Feb

Remittance inflow has increased 4.46 per cent year-on-year to \$1.56 billion in February this year as expatriate Bangladeshis have been opting to use the legal channel for the last couple of months to send their money. Experts, however, say that the current inflow of remittance was not enough to tackle the erosion of the foreign exchange reserves.

Ahsan H Mansur, executive director of Policy Research Institute, said the inflow should have crossed \$2 billion each month given the number of migrant workers sent abroad so far.

STORY ON BI

Talks needed, open minds too

PARTHA PRATIM BHATTACHARJEE and RASHIDUL HASAN

In recent days, several media reports have focused on the possibility of talks between the ruling Awami League and the opposition BNP over holding an inclusive national election.

Those reports read the ruling party may take an initiative to bring the BNP to the table for ensuring the latter's participation in the national election, slated for January next year, to make it acceptable to all.

But the BNP is currently busy waging a simultaneous movement with like-minded parties to press home the demand for an election-time caretaker government and resignation of the incumbent government.

Recent history shows that since the toppling of autocratic regime of HM Ershad in 1990, dialogues took place between different political parties, especially the Awami League and BNP, ahead of almost all elections.

But there is not a single instance of any dialogue yielding result, thanks to uncompromising attitude of the two major political parties, say political analysts.

"When the political culture of the country is confrontational, the possibility

of any consensus between them is very poor," said Prof Al Masud Hasanuzzaman of government and politics department at Jahangirnagar University.

When the political parties joined the dialogues, they maintained rigid stances on their respective demands, he said, adding that such an attitude was the barrier to a fruitful resolution.

Al Masud stressed the need for talks to ensure an inclusive election. "But in that case, political parties will have to join a dialogue with compromising attitudes to make it successful," the professor added.

Let's revisit the memories of some political talks staged previously centring on the national elections.

1994: NINIAN'S FORMULA

In 1994, the opposition Awami League waged a movement over introduction of a caretaker government system for a free and fair election, but the ruling BNP was dead against the demand. The country became almost paralysed by the opposition-called shutdowns and blockades.

The then Commonwealth secretary general Sir Ninian Martin Stephen came to Dhaka in October as a special envoy to break the political impasse.

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Five Hundred Marginal farmers get Krishi Loan via Smart Card from AB Bank at Bera, Pabna



AB Bank Limited organized at Shaheed Shamsul Haque Tuku, Kumar Gossami, Mr. Tarique Afzal, disbursed Krishi Abdul Khaleque MP was present as Upazila Agriculture, President and (agricultural) loans Stadium, Bera, Pabna. chief guest. Advocate Officer, Santhia, Managing Director of under own Honorable Deputy S.M. Asif Shams Pabna and Mr. Nure AB Bank Limited supervision to small Speaker and member Ranjan, Mayor, Bera Alam, Upazila Senior officials of AB Bank through smart cards of the Bangladesh Parliament, Valiant President, Bera Agriculture Officer (Acting), Bera, Pabna and local dignitaries at Pabna. Freedom Fighter, Upazila Awami were present as special guests with The program was Advocate Md. League, Mr. Sonjib special guests with the program.