



Fishers in Bangladesh are getting ready to set sail in the Bay of Bengal as the sea has calmed down following a recent depression. The picture was taken at the Fishery Ghat in Cox's Bazar yesterday.

PHOTO: MOKAMMEL SHUVO

Trading yet to gear up in Khatunganj

Unloading partially resumes at Ctg port's outer anchorage

DWAIPAYAN BARUA, Ctg

Trader turnout remained poor at Khatunganj's wholesale hub for essential commodities while import cargo delivery low from the Chattogram port's outer anchorage yesterday although it stopped raining in the last two days following incessant downpours since last Thursday. However, different upazilas in Chattogram still remain flooded while the Bay of Bengal turbulent. Most low-lying areas in the port city were inundated for four consecutive days since last Friday but this year no waterlogging has been seen at the trading hub of Khatunganj. This was owing to the trial operation of a few sluice gates which are being installed at the entrance of the Chaktai canal as a part of an ongoing project to combat waterlogging. Traders said water this time did not enter the wholesale shops and warehouses but the trade had substantially fallen due to the incessant rain. Though the rains have stopped since

Tuesday evening vast areas in the southern and northern districts of Chattogram are still under flood waters, due to which traders were yet to turn up, leading to poor business at Khatunganj in the last two days. Meher Traders, a wholesale firm of onion, garlic and ginger at Hamidullah Mia Market, usually sees sales of over 200 sacks of these goods on a normal day. Md Ali Talukdar, proprietor of the firm, yesterday said there was no sale at his shop on the first four days of this week for the rains and trade resumed slightly since Wednesday. Traders from southern areas like Chandanaish, Satkania, Chakaria and Cox's Bazar are their main clients and those areas are still under flood waters. Traders from some nearby city markets have started showing up and in the last two days his firm could attain only 20 percent of their normal sales, informed Talukdar. Syed Sagir Ahmad, general secretary of the Khatunganj Trade and Industries Association, said the wholesale trading

hub housing around 5,000 big and small shops usually sees daily trade of around Tk 2,500 crore. Now it has come down to only 20 percent to 30 percent of that, he said, hoping for the situation to get better next week once the weather became favourable. Unloading of import cargoes from large ships at the outer anchorage of the Chattogram port resumed partially since Wednesday noon on staying suspended for five days due to the downpour and for cautionary signal number 3 remaining in place. Officials of Water Transport Cell, a private organisation that deals with the business of a portion of lighterage vessels at the port, said some lighterage vessels went out to the outer anchorage to bring cargo from bigger ships after the rains stopped. But the workers were able to unload goods only during low tide because the sea was still turbulent during high tide, they said. At least 46 big vessels carrying around 15 lakh tonnes of import cargo were

anchored at the outer anchorage as of yesterday. At least 35 out of these ships had been sitting idle for the past five days till Wednesday morning due to the inclement weather. Unloading of goods from these ships partially resumed over the last two days. Seacom Shipping is the local agent of five of the vessels that have been sitting idle for the past five days till Tuesday. Officials said unloading of goods has resumed from three of them so far. Out of the five vessels, MV Amis Brave carrying 59,000 tonnes of slag, imported for the Premier Cement factory, arrived on July 23. It has been sitting idle since last Thursday with only 1,800 tonnes of cargo left on board. It was possible to unload the cargo from the vessel on Wednesday and it left on the same day. Seacom Shipping Managing Director Zahur Ahmad said the importer had to count at least \$15,000 as demurrage for each day of additional stay of the vessel. Importers of most of the other ships faced the same demurrage, he said.

BRICS bank looks to local currencies

REUTERS, Johannesburg/Shanghai

Hobbled by the impact of sanctions against founding shareholder Russia, the New Development Bank (NDB) set up by the BRICS countries needs to increase its local currency fundraising and lending, South Africa's finance minister told Reuters. South Africa will host leaders of the other BRICS nations - Brazil, Russia, India and China - as the bloc aims to widen its influence at a Johannesburg summit later this month. Finance Minister Enoch Godongwana said boosting local currency usage among the NDB's members will also be on the agenda, with the aim of de-risking the impact of foreign exchange fluctuations rather than de-dollarisation. The greenback has gained against emerging market currencies since Russia invaded Ukraine and the Federal Reserve began raising interest rates to fight inflation in early 2022, making dollar debt more costly for those countries to service. "Most countries that are members of the NDB have been encouraging (it) to provide loans in local currencies," Godongwana said. Established in 2015 as the flagship financial project of the bloc, the NDB's ambition to serve emerging economies and de-dollarise finance have been curbed by economic realities and Moscow's invasion of Ukraine.



"(It is) not doing as much as member countries require, but that is the strategic direction we are pushing the bank (in)," Godongwana said in a telephone interview last week. Increasing local currency fundraising and raising capital from new members could help the NDB in tough times, cutting its dependence on US capital markets where sanctions against Russia have driven up its borrowing costs, analysts said. The NDB has expanded from its original core of five to eight and only makes loans in member countries. Chief Financial Officer Leslie Maasdorp told Reuters in an interview at the NDB headquarters in Shanghai that the bank aims to increase local currency lending from about 22 percent to 30 percent by 2026, but that there were limits to de-dollarisation. "The bank's operating currency is dollars for a very specific reason, US dollars are where the largest pools of liquidity are," he said. The bank is responsive to its members and will decide the mix of currencies it lends in based on their demands, Maasdorp said in emailed comments. Of more than \$30 billion in loans approved by the NDB, two-thirds were in dollars, an April investor presentation showed.

Russia halts currency buys as rouble tumbles

AFP, Moscow

The Russian central bank said it would no longer purchase foreign currency on the domestic market from Thursday, as it sought to prop up the ruble, at its lowest level against the dollar since March 2022. "The Bank of Russia has decided that, from 10 August through 31 December 2023, it will not buy foreign currency in the domestic market," the central bank said in a

statement late Wednesday. "This decision is aimed at reducing volatility in financial markets," it said. With the announcement, the bank is setting aside its budget rule, under which Russia buys or sells foreign currency stored in its National Wealth Fund to compensate for fluctuations in revenues from oil and gas exports. The move comes after the ruble fell sharply in recent weeks, prompting fears among many Russians that their

standard of living could take a hit. On Thursday morning, Russia's currency was trading at 107 rubles to the euro and 97 rubles to the dollar, its lowest levels since the early days of Moscow's offensive in Ukraine. The central bank had restarted purchases of foreign exchange under the budget rule in January, after a pause of almost 10 months that saw Russia hit with a raft of Western sanctions in response to the conflict in Ukraine.

BFIU to work with law enforcers

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Bangladesh Police, the Cyber Crime Department of the Dhaka Metropolitan Police, the Bangladesh Telecommunication Regulatory Commission and the private sector were present. Biswas asked the representatives to work together to combat illegal activities and take punitive measures

against those involved. The BFIU is interested to share intelligence with others to eliminate hundi, online gambling, betting, forex and crypto trading, he said. According to a number of BFIU officials, money laundering has increased on the back of hundi and online gambling and this has appeared as a major concern.

Gambling and online betting are banned in Bangladesh but many people are taking part in those activities, sending precious US dollars abroad through gaming accounts, a tendency that is hurting the country's foreign currency reserves. The BFIU found mobile financial service accounts are being used for online gambling.

A fifth of banks

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of the largest mobile financial service provider in the country. "bKash will become a digital bank and this is a normal transformation for them. And we, as a shareholder, want to be part of that," said Selim RF Hussain, managing director of the bank. He said digital banks have not become immensely successful in the world, so traditional lenders in Bangladesh don't feel that they would be left behind as digital banking will gain traction. "Digital banks are unlikely to become profitable overnight. A lot of investment will be required."

Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management, says there is a concern about how far a digital bank will succeed. "It appears that banks are collectively going for digital banks to stay ahead in the competition and expand their market." He says digital banks can do a lot in terms of raising access to funds for small and medium enterprises and providing small loans to people who are still not under the formal financial system. "So, there is nothing wrong if those who have platforms come to offer digital banking. This will rather create

a greater competitive environment and people will reap the benefit." Md Shahidul Islam Zahid, a professor at the banking and insurance department at the University of Dhaka, said the move by banks should be welcomed as it will have a positive impact. "Clearing and fund transfers will be faster and all will benefit. However, awareness and banking literacy is required." He said a large portion of the population is still not accustomed to the conventional banking system. "So, it is important to see whether investment in digital banking will ensure return."

Debt-to-GDP ratio rises

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As of March 31, 2023, total domestic debt stood at Tk 9,15,135 crore. Of that, 54 percent was to the banking sector and 39 per cent for savings instruments. Another 7 per cent was for provident funds of the government. During the first nine months of last fiscal year, net borrowing from the savings certificates was Tk 4,162 crore

in the negative as people redeemed a higher number of certificates than what they purchased. The report said various reform initiatives, such as an online issuance process, logical investment limit, and introduction of multi-tier interest rates along with inflation contributed to the reduction of the net sales of the national savings instruments. Though the domestic debt was

higher with the banking sector, the government had to spend more for the non-banking lenders due to the higher interest rate of the savings instruments. In the year, the spending behind interest payments was higher than that in the same period of the previous year owing to the higher interest rate in the banking sector amidst a liquidity crunch.



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