

MOODY'S REPORT

Banking outlook revised to stable from negative

REJAUL KARIM BYRON

US rating agency Moody's Investors Service yesterday changed its outlook for Bangladesh's banking system to stable from negative, which will relieve the central bank boss of stress.

It comes at a time when there is a negative perception at home and abroad about the country's banking sector.

The changed outlook reflects "our expectation that profitability and liquidity stress has eased despite ongoing asset-quality difficulties", Moody's said in a report.

It said profitability would be stable due to steady net interest margins (a profitability indicator that measures the difference between interest income and interest paid out by financial institutions) and credit costs.

Capital will also be stable because internal capital generation will be in line with capital consumption, it said, adding that the lenders' funding and liquidity will be tight but stable.

"The stable outlook also reflects our expectation that the government will continue to support banks when needed to maintain systemic stability," it said.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said Moody's latest outlook is a positive sign for Bangladesh's banking sector.

"There has been an erosion in global confidence about Bangladesh's banking sector. The latest outlook will prevent this," he said.

The central bank has implemented several reform measures in the banking sector in line with the International Monetary Fund's \$4.7 billion loan programme, a Bangladesh Bank official told The Daily Star yesterday.

It has been a year since the reforms were taken up and some improvements are already visible, he said, adding, they expect more progress ahead. Moody's latest outlook could be a reflection of the reforms, he said.

Moody's had downgraded the outlook to negative from stable in March last year when Bangladesh went for the IMF loan programme.

Moody's in its latest outlook mentioned that the economy's operating environment would deteriorate as economic growth slows and inflation remains elevated.

Bangladesh's real GDP growth, which historically has been about 6.5 percent, is expected to slow to 6 percent in the fiscal year ending June 2024 and 6.3 percent in the fiscal year 2025, Moody's said.

It also said the moderation in economic growth will be due to a weakening of external demand and persistently high import prices and inflation. As a result, the country's trade deficit will moderately widen.

In the banking sector, Moody's said despite rising asset risks, loan-loss provisions would be broadly steady because of regulatory forbearance that allows banks to actively restructure or reschedule problem exposures and continue classifying those loans as performing.

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ZAHID HUSSAIN, former lead economist at the World Bank's Dhaka office



Women hold a candlelight vigil at the Central Shaheed Minar as the clock struck 12:00am today to mark the International Women's Day, which is being observed across the world with the theme "Invest in women: Accelerate progress". The event was organised by WE CAN Bangladesh.

PHOTO: ANISUR RAHMAN

Mar 7 speech brought us freedom: PM



BSS, Dhaka

Explaining the greatness of the historic March 7 speech by Bangabandhu, Prime Minister Sheikh Hasina yesterday said this speech not only inspired the people and prepared them for a guerilla war but also brought independence for the nation.

The Pakistanis spent their time to find the meaning and explanation of this speech, she said while addressing a function at the Osmani Memorial

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Petroleum prices cut as automatic pricing kicks in

STAFF CORRESPONDENT

The government has reduced the price of octane by Tk 4, petrol by Tk 3, diesel and kerosene by Tk 0.75 per litre.

The new prices based on the previous month's average rate in the global market were put in effect at 12:00am yesterday.

Each litre of diesel and kerosene now cost Tk 108.25, petrol Tk 122, and octane Tk 126, according to a statement issued by the energy and mineral resources ministry.

Fuel prices will be adjusted every month from now on, it said.

The government introduced a system of automatically setting fuel prices on February 29, complying with a condition for the International Monetary Fund's \$4.7 billion loan.

In India, a litre of diesel costs Tk 133 and petrol Tk 152, the statement added.

According to a ministry gazette, Bangladesh Petroleum Corporation (BPC) now sells a litre of diesel at Tk 99.98, petrol at Tk 111.29, octane at Tk 115.12 and kerosene at Tk 100.85 to three state owned oil distributors.

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Akhi weaves her way to independence

AHMED HUMAYUN KABIR TOPU, Pabna

"Even a few years ago, I couldn't fill my child's feeder with milk. I would boil water and mix some biscuits with it to stop my child from crying out of hunger."

Alroza Akter Akhi of Bhaina village in Pabna's Sujanager upazila had never dreamed of the life she has now.

Equipped with multiple certificates and degrees, she could not land a job despite going from door to door.

Akhi, 33, is now the proud owner of a handicraft business in her village, from where her products are going even to Europe.

Her success, however, was not served on a silver platter.

Over the last decade, Akhi had to face one struggle after another – torture, deprivation, discriminations, financial troubles, job crisis, and even suicidal thoughts.

Born in a rural family, Akhi was determined to get a good education and build a successful career. However, after she got married at the age of 23, her academic pursuits came to an abrupt halt. She then faced a failed marriage, which led to intense flak from society.

Akhi, however, did not give up and went on to complete her master's degree.

After getting remarried and birthing two sons, she left with her family to Qatar for work but then came back empty-handed in 2020 in the face of the Covid-19 pandemic.

Then began a dire financial crisis, through which she and her husband would have to starve at times to be able to provide food for their children.

"That was when I really considered committing suicide. But my husband pushed me. He had confidence in me. Because of him, I was inspired once again to find a way out."

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MORE ON WOMEN'S DAY

P2 Give up on chauvinism and inspire inclusion

P9 Do women need a separate metro rail carriage?

P10 Sanitation and showbiz

B1 Women outnumber men in farming sector

FRAUD CASE Confiscate properties of Evely MD, chairman

Orders Dhaka court

COURT CORRESPONDENT



Rassel Shamima

A Dhaka court yesterday ordered the authorities concerned to confiscate the properties of Evely Managing Director Mohammad Rassel and his wife, Evely Chairman Shamima Nasrin, in connection with a fraudulence case.

Dhaka Metropolitan Magistrate Farah Diba Chanda passed the order after a petition was filed with the court in this regard, Sakibul Islam, a lawyer for the complainant, told The Daily Star.

"On February 15, the

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Hills being cut by a syndicate, led allegedly by a local influential, in Brahmanbaria's Kasba upazila. Locals have claimed that the gang has long been cutting hills in broad daylight and selling the soil for illegal gains. According to the Environment Protection Act, no one is allowed to cut hills without permission from the DoE. However, the upazila administration seems to have turned a blind eye towards this practice that is degrading the environment. The photo was taken recently.

PHOTO: MASUK HRIDYO

INDOMITABLE MARCH

Tikka Khan's oath hiccup

SHAMSUDDOZA SAJEN

Tikka Khan was handed over the responsibilities of both the governor and martial law administrator in East Pakistan. He was also the chief of Eastern Command. However, the all-powerful governor could not find a judge to swear him in as Justice BA Siddiqui, chief justice of the East Pakistan High Court, refused to administer the oath, citing "ill health" as the reason.

The martial law officer in Dhaka tried to make alternative arrangements but failed. According to the President's legal parchment, the swearing in ceremony must be administered by the chief justice of the concerned province. His nominee, or a local judge of the Supreme Court, can't perform the task. General

Tikka himself rang up the chief secretary of East Pakistan, Shafiul Azam, to arrange the ceremony, but he also refused. [Siddiq Salik, Witness to Surrender, UPL 1997, pp.55-56]

NEW AL DIRECTIVES

Awami League, virtually in the control of East Pakistan, issued some new directives authorising banking transactions for the purchase of industrial raw materials for the running of mills and also for bona fide personal drawing of up to a thousand rupees. Relevant government officers were directed

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