

## Gold holds steady

REUTERS

Gold prices steadied on Thursday, as investors digested comments from Federal Reserve Governor Christopher Waller on interest rate cuts and looked forward to more US economic data for policy clues.

Spot gold was up 0.1 percent at \$2,195.73 per ounce, as of 0712 GMT. US gold futures edged 0.2 percent higher to \$2,194.40. "The Fed signalled they want to be cutting rates and there's a geopolitical risk concern that continues to linger in the markets around these wars, both in Ukraine and in the Middle East, which is gold supportive," said Ilya Spivak, head of global macro at TastyLive.

"Gold prices are range bound for most of the time this month and a break above current resistance level around \$2,225 per ounce could see prices heading towards the \$2,300 mark."

Gold hit a record high last week after the Fed anticipated three rate cuts in 2024 despite recent high inflation readings.

# Foreign loan commitment jumps 300% in Jul-Feb

Disbursement rises 2%

STAR BUSINESS REPORT

Although foreign aid commitments made to Bangladesh by global lenders surged more than 300 percent year-on-year in the first eight months of the current fiscal year of 2023-24, disbursement has remained almost flat.

In the July-February period, loan commitments from development partners increased to \$7.2 billion, up 304 percent, according to the Economic Relations Division (ERD) of the finance ministry.

Around \$6.74 billion came in the form of loans while the remaining \$461.14 million were grants.

But at a time when Bangladesh is badly in need of foreign currencies, the loan disbursement stood at \$4.99 billion, only up by 2 percent from that in the same period a

year ago.

Lower disbursement of foreign assistance is a perennial problem for Bangladesh, driven by the country's failure to implement projects on time and meet conditions attached to loans by lenders.

The lower release of funds has prompted the government to order ministries to accelerate the use of loans to give a much-needed fillip to the foreign exchange reserves, which have halved in a span of two years.

Besides, the country's foreign debt servicing rose by 43 percent in the first eight months of the current fiscal year, which was mostly driven by rising interest rates.

In the July-February period, the government paid \$2.03 billion for interest and principal payments to international lenders, up from \$1.42 billion in

the same period of the previous year.

The finance ministry projects that foreign debt repayments, including interest, will reach \$4.5 billion in 2025-26.

In the current fiscal year, repayments are likely to jump by 33.52 percent to \$3.57 billion, crossing the target of \$2.79 billion set in the national budget.

Asian Development Bank (ADB) released most of the money in the eight-month period, totalling \$1.30 billion, followed by America and Japan of a total of \$1.04 billion.

Furthermore, World Bank disbursed \$877.87 million, Russia \$807.50 million, and China \$361.71 million.

In terms of commitment, the ADB also secured the top position with \$2.62 billion, followed by America and Japan with \$2.02 billion.

## Eastern Bank to hold AGM today

STAR BUSINESS DESK

Eastern Bank will organise its 32nd annual general meeting virtually from 11am today.

The board of directors recommended a 25 percent dividend, including a 12.50 percent cash dividend, for the year that ended on December 31, 2023.

The meeting will elect directors and approve the appointment of an independent director, read a press release.

The shareholders whose names will appear in the register of members of the company or in the depository register on the record date will be eligible to join the AGM and entitled to receive the dividends as mentioned above.

The meeting will also approve the audited financial statements of the bank along with the reports of the auditors' and the directors for the year 2023.

## Rezwanul becomes CSE's independent director

STAR BUSINESS DESK



Rezwanul Huque Khan, a professor at the Institute of Business Administration of the University of Dhaka, has recently been appointed by the Bangladesh Securities and Exchange Commission as an independent director of the Chittagong Stock Exchange (CSE) for a three-year term.

He will replace Md Shajib Hossain, another professor at the University of Dhaka, in the board of the CSE, according to a press release.

Rezwanul Huque is a member of the Board of Governance of the IBA, and also a member of the governing body of Community Medical College, Jamuna Foundation Nursing College, Sheikh Russel Nursing College, and Royal Nursing College.

He served as an independent director of Premier Leasing and Finance, and C&A Textile Ltd for a few years.

He obtained his bachelor's degree in computer science and information technology from the Islamic University of Technology and completed an MBA from Dhaka University's IBA.

## FTA with China

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However, the Chinese government will have to facilitate local companies who want to invest in Bangladesh, the official said.

He added that it was just the beginning of negotiations and it may take a long time to complete as the commerce ministry will hold a series of meetings with government officials and private sector stakeholders for their opinions.

Currently, China is Bangladesh's single largest trading partner, with the bilateral trade amounting to \$24 billion.

Bangladesh exported goods to China worth \$677 million and imported goods worth \$22.90 billion from China in fiscal year 2022-23, according to data from the commerce ministry.

At the press conference, Ghosh said the government has engaged major trading partners in negotiations for FTAs, economic partnership agreements, comprehensive economic partnership agreements, and preferential trade agreements.

The aim is to retain duty preferences after Bangladesh makes the United Nations country status graduation from a least developed to a developing country in November 2026.

China currently provides duty benefits for 98 percent of Bangladeshi products.

If negotiations take a long time, Bangladesh will seek the continuation of LDC benefits from China until the signing of the FTA, Ghosh said.

He added that more

detailed studies need to be conducted before the FTA can be signed.

Yao Wen said China has been negotiating with Bangladesh mainly to overcome economic challenges and to increase trade between the two countries.

An FTA may address those challenges and exports from Bangladesh to China may eventually increase if facilities can be created.

Currently, China has 22 FTAs with 29 countries, including nations like Mauritius and Cambodia, he added.

Citing an example, the Chinese envoy said exports from Mauritius to China increased by 15 percent and exports from Cambodia to China rose by 30 percent after the signing of the FTAs.

This indicates mutual trade benefits after the signing of trade deals, he said, adding that Bangladesh could export more jute and jute goods, leather and leather goods, and aquatic products to China.

Among agricultural products and those of agro-processing, mangoes, jackfruits, and juice products could also be good items for export from Bangladesh to China.

On the other hand, Chinese investment could bolster the IT and agricultural sectors and can make Bangladesh a manufacturing hub in South Asia if the FTA is signed, the ambassador also said.

Currently, China is the second largest source of foreign direct investment (FDI) for Bangladesh.

## Oil prices advance Dollar crunch dampens

REUTERS, Tokyo

Oil prices edged up on Thursday, following two consecutive sessions of decline, as investors reassessed the latest data on US crude oil and gasoline inventories and returned to buying mode.

Brent crude futures for May were up 40 cents, or 0.5 percent, at \$86.49 a barrel while the more actively traded June contract rose 36 cents, or 0.4 percent, to \$85.77 at 0757 GMT. The May contract expires on Thursday. US West Texas Intermediate (WTI) crude futures for May delivery were up 44 cents, or 0.5 percent, to \$81.79 a barrel.

Both benchmarks were on track to finish higher for a third consecutive month, and were up about 4.5 percent from last month.

In the prior session, oil prices were pressured following last week's unexpected rise in US crude oil and gasoline inventories, driven by a rise in crude imports and sluggish gasoline demand, according to Energy Information Administration data. However, the crude stock increase was smaller than the build projected by the American Petroleum Institute.

"We ... expect US inventories to rise less than normal in reflection of a global oil market in a slight deficit," Bjarne Schieldrop, chief commodities analyst at SEB Research, said in a note. "This will likely hand support to the Brent crude oil price going forward."

Also providing support to prices were US refinery utilisation rates, which rose 0.9 percentage points last week. Recent disappointing inflation data affirms the case for the US Federal Reserve to hold off on cutting its short-term interest rate target, a Fed governor said on Wednesday, but he did not rule out trimming rates later in the year.

"The market is converging on a June start to cuts for both the Fed and the European Central Bank," JPMorgan analysts said in a note. Lower interest rates support oil demand.

## Forex reserves

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As a result, banks are incurring losses.

Emranul Huq, managing director of Dhaka Bank, however, said the currency swap is a win-win situation for both the central bank and commercial banks.

"Some banks have idle US dollars and they now

can keep them with the central bank because the interbank exchange rate is not fully active now."

"The arrangement is also allowing banks confronting liquidity shortage to avail local currencies from the central bank in exchange for the international currencies."

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Bangladesh's dividend payout ratio dropped 61 percent in 2023 from 71 percent a year prior and 91 percent in 2021.

The dividend payout ratio is the proportion of earnings paid out as dividends to shareholders.

This fell to 30 percent for British American Tobacco Bangladesh. It was 60 percent in 2022 and 99 percent the year before.

Grameenphone distributed 51 percent of its profits as dividends in 2023, way lower than the 99 percent awarded in the previous two financial years.

Robi Axiata, LafargeHolcim Bangladesh,

and Singer Bangladesh also paid out a lower dividend. On the other hand, Unilever Consumer Care and RAK Ceramics declared higher dividends.

Prof Abu Ahmed, a former chairman of the economics department at the University of Dhaka, said since a majority of the shareholders of the MNCs are based abroad, companies operating in Bangladesh had to remit the dividends in foreign currencies.

"However, repatriating funds was a challenging task in the last two years amid the dollar shortage. The lower-than-expected dividend left local investors upset."

The analyst said investors prefer MNCs because they pay higher dividends. "Now, they are disappointed, so they are selling the shares of the companies."

Yesterday, British American Tobacco shares traded at Tk 397 and Grameenphone at Tk 235, the lowest in two years in both cases, DSE data showed.

Stocks of Unilever Consumer Care, Marico, Berger Paints, and Bata Shoe also changed hands at levels that were almost at their lowest in two years.

Prof Ahmed also said MNCs might announce generous dividends in the coming years if the forex

reserves situation improves. "Thus, investors should not be disappointed."

He said the reinstated earnings can be invested in treasury bonds, which are offering higher returns compared to bank deposits. "This may contribute to boosting profits in the future."

Ahmed even recommended if the forex reserves don't pick up to a much comfortable level and the US dollar crisis does not peter out in the coming years, the companies still should pay higher dividends.

"And the dividends payable to foreign shareholders can be invested in treasury bonds."

## Stocks return to black

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Bangladesh Industrial Finance Company with a rise of 9.52 percent.

The two were followed by Aftab Automobiles, Union Capital and ACME Pesticides with 8.63 percent, 8.14 percent and 8.03 percent respectively.

Active Fine Chemicals, Beach Hatchery and Navana Pharmaceuticals along with Nitol Insurance Company, International Leasing and Financial Services and Fareast Islami Life Insurance Company were also on the gainers' list.

Walton Hi Tech Industries shed the most, losing 4.66 percent.

The list of those suffering losses included Central Pharmaceuticals (4.50 percent), Mercantile Islami Life Insurance (3.90 percent), ICB AMCL CMSE Golden Jubilee Mutual Fund (3.84 percent), Northern Jute Manufacturing Company (3.58 percent) and Renata (3.57 percent).

Services and real estate, paper and printing, and ceramics sectors closed in the positive while engineering, food and allied, and pharmaceuticals

closed in the negative, according to the market update by UCB Stock Brokerage.

The pharmaceuticals sector dominated the turnover chart, accounting for 19.97 percent of the total turnover.

In its market update, BRAC EPL Stock Brokerage said a mixed performance was staged by sectors which account for large amounts in market capitalisation, meaning the market value of their outstanding shares of stock.

Non-bank financial institutions (NBF) booked the highest gain of 1.60

percent, followed by banks (0.57 percent), fuel and power (0.31 percent), telecommunication (0.04 percent), pharmaceuticals (0.32 percent), food and allied (0.72 percent), and engineering (2.22 percent).

Block trade, meaning large, privately negotiated securities transactions, contributed 5 percent of the overall market turnover.

The Caspi, the all-share price index of Chittagong Stock Exchange, edged up 26.38 points, or 0.16 percent, to close the day at 16,553.44 points.

## Bad loans a big threat to financial sector

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ratio—at least 10 percent of their risk weighted assets as a cushion from losses—for the last 10 years.

Specialised banks have been staying undercapitalised, said the BB.

In the report, the central bank also termed Islamic banks' borrowing from Bangladesh Bank under special liquidity support, depreciation of taka, deficit in the country's external account and liquidity shortage as challenges for the banking and financial sector.

The BB report said high inflation discourages savers to park deposit in banks because of negative real interest rate.

"It is apprehended that overall economic activities will suffer in the long term if these problems are not resolved quickly," said the report.

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### e-Tender Notice

e-Tender are invited in e-GP System Portal(<http://www.eprocure.gov.bd>) by Executive Engineer Habiganj P.W.D. Division, Habiganj for the procurement of:

Sl. No	Description of work & Package No	Tender ID No	Tender Publication Date	Last Selling Date & Time	Tender Submission Deadline & Opening Date & Time
1	Construction of Model Mosque and Islamic Cultural Center at Shayestaganj Upazilla of Habiganj District (Three storied building with three storied foundation (B-type) (Sub-head: Main Building Civil works, Internal sanitary & water supply works, Electrical works and other Ancillary works) under the project of Establishment of 560 model mosques and Islamic cultural centers in each district and Upazilla of Bangladesh.)	964007	28-Mar-2024 11.00 AM	28-Apr-2024 16.00 pm	29-Apr-2024 12:00 pm

This is an online Tender, where only e-Tenders will be accepted in e-Gp portal and no offline/hard copies will be accepted. To submit e-Tender please register on e-Gp system Portal (<http://www.eprocure.gov.bd>) Further information and guidelines are available in the National e-GP System portal (<http://www.eprocure.gov.bd>) and e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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"শেখ হাসিনার মূলনীতি  
গ্রাম শহরের উন্নতি"

Memo No. 46.02.7980.000.14.001.24-308 Date: 27/03/2024

### e-Tender Notice-10/2023-24

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement as below: Procurement Method: Open Tendering Method (OTM).

Sl. No.	Tender ID	Package No.	Name of work	Last selling date & time	Closing date & time
01	963646	EDC/PIR/S AD/W1.225	Vertical Extension of 4th Floor at Pirojpur Sadar Upazila Complex Administrative Extension Building under EDC, Upazila: Pirojpur Sadar, Dist. Pirojpur.	16/04/2024 17:00pm	17/04/2024 13:00pm

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.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited through online at any branches of 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)).

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