

Star BUSINESS

Mobile and internet subscribers yesterday complained about poor network coverage and slow internet speeds at a hearing



Story on B4

Market-driven interest rate returns after four years

STAR BUSINESS REPORT

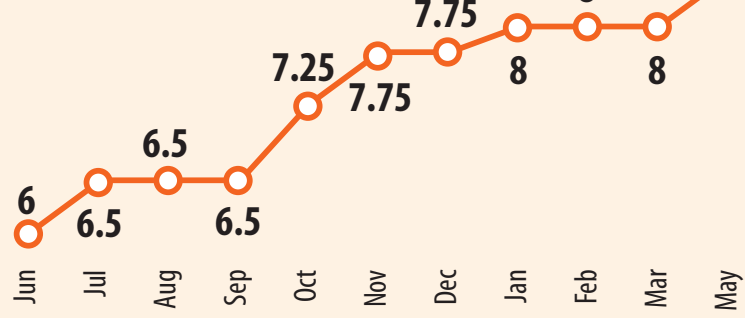
After a gap of four years, the banking sector in Bangladesh has returned to a market-driven interest rate regime at the prescription of the International Monetary Fund (IMF), in order to step up its fight against elevated level of inflation.

The central bank also raised the policy rate by 50 basis points to 8.5 percent, aiming to make money costlier.

The central bank took the decision as people have been struggling with the high level of

Changes in policy rate by Bangladesh Bank

In %; SOURCE: BB



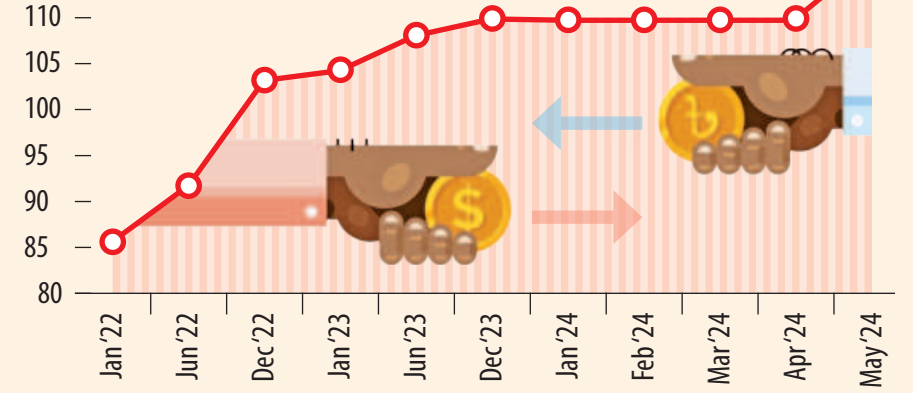
TIMELINE

- April '20: 9% lending rate introduced
- July '23: SMART was launched
- May '24: Market-based interest rate returns

Exporters cheer weaker taka

Trend of taka-dollar exchange rate

In taka; SOURCE: BB



REFAYET ULLAH MIRDHA

In a historic move, the central bank of Bangladesh has depreciated the local currency against the US dollar mainly to make the country more competitive in international trade, a move that exporters and businesses welcomed.

In fact, the taka has been losing ground over the past three years, both during and after the Covid-19

pandemic, as Bangladesh's banking system struggled to supply dollars as per surging demand.

Owing to a chaotic and volatile exchange rate, local exporters were desperate for the introduction of a floating exchange rate so they could draw more money and be more competitive.

The taka stayed firm at Tk 85 per dollar for over a decade, but started

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prices for around two years. Analysts expect the interest rate in the banking sector to rise in the upcoming days and inflationary pressures to ease. The move to a market-based lending rate was one of the conditions for the IMF's \$4.7 billion loan to Bangladesh, the third tranche of which is expected soon.

Bankers welcomed the decision, opining that the lending rate may rise initially and a market-based rate was necessary to reduce inflationary pressures and make the banking sector healthy.

Selim RF Hussain, chairman of the Association of Bankers Bangladesh (ABB), told The Daily

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Journey to be painful, but necessary



Ahsan H Mansur

Mustafizur Rahman

STAR BUSINESS REPORT

The road ahead is not smooth. The journey is going to be painful. But it is necessary for healing the wounds of the economy and taking it back to normalcy, two eminent economists said yesterday after Bangladesh Bank lifted the restrictions on interest rates and allowed the taka to move more freely.

"It is a good step forward. The rate of interest may rise for private lending, but that is necessary. We have to live through that to tackle the current challenges," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh (PRI).

He also welcomed the move to let the taka find its value through the introduction of crawling peg -- a flexible exchange rate system.

It is a good step forward. The rate of interest may rise for private lending, but that is necessary. We have to live through that to tackle the current challenges

Ahsan H Mansur
Executive director of PRI

"The situation turned such that yields of government's treasury bills and bonds were way above the lending rate for the private sector. Such an anomaly cannot exist in a market," he said. "Now, interest cannot be controlled because there is a huge requirement for borrowing by the government."

Mansur, a former economist at the International Monetary Fund, said interest rates would rise. This may slow the economy further, but it is necessary to overcome the challenges.

He also welcomed the move to let the taka find its value through the introduction of crawling peg -- a flexible exchange rate system.

He said this would stabilise the taka-dollar exchange rate and improve foreign exchange reserves, which have depleted substantially over the last two years.

"That is important," he said.

Until now, there has been an imbalance in the exchange rate and exporters were forced to take Tk 110 per US dollar.

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- ১ লাখ টাকা বিনিয়োগ করলে প্রতি মাসে পাবেন নিট ১,২৫০ টাকা এবং ৫ বছর শেষে ১ লাখ টাকা। এভাবে মেয়াদপূর্তিতে মূল টাকা-সহ ফেরত পাবেন সর্বমোট ১,৭৫,০০০ টাকা
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১৫০০ কোটি টাকার সম্পূর্ণ নির্ভরযোগ্য জিরো কুপন বন্ড

আগে এলে আগে পাবেন ভিত্তিতে কেনার সীমিত সুযোগ

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বিস্তারিত জানতে কল করুন **১৬৯০০** অথবা কিউআর কোডটি স্ক্যান করুন

Toyota posts record profit

AFP, Tokyo

Toyota reported record annual net profit of more than \$30 billion on Wednesday but the world's largest automaker by sales warned that the current year would be less spectacular.

Helped by a weak yen and strong hybrid vehicle sales, the Japanese giant's bottom line doubled to 4.94 trillion yen (\$31.9 billion) in the year to March while revenues rose 21.4 percent to 45.1 trillion yen, also an all-time high.

"Under the banner of 'carbon is the enemy', Toyota has done what it can to achieve carbon neutrality and make hybrid cars more prevalent," said chief financial officer Yoichi Miyazaki.

"Since the debut of the Prius model, that effort has gradually paid off, creating the perception even in the American market that hybrids are the main player," Miyazaki told reporters.

For this year it expects net profit of 3.57 trillion yen, down 27.8 percent, because of investments in "growth areas" such as electric and hydrogen cars, as well as in "human capital".

IFIC Bank, Swisscontact strike MoU to uplift entrepreneurs in char areas



Ferdousi Begum, head of SME and retail product of IFIC Bank, and Abdul Awal, team leader of Swisscontact's "Making Markets Work for the Jamuna, Padma, and Teesta Chars (M4C) Project", exchange signed documents of a memorandum of understanding at IFIC Tower in Dhaka yesterday.

PHOTO: IFIC BANK

STAR BUSINESS DESK

IFIC Bank yesterday signed a memorandum of understanding (MoU) with Swisscontact, an independent non-profit development organisation, in a bid to uplift entrepreneurs from char areas in the northern districts of Bangladesh.

Ferdousi Begum, head of SME and retail product of the bank, and Abdul Awal, team

leader of Swisscontact's "Making Markets Work for the Jamuna, Padma, and Teesta Chars (M4C) Project", inked the MoU at IFIC Tower in Dhaka, the bank said in a press release.

This partnership aims to leverage the bank's financial services, including the IFIC Shohoj Account and IFIC Shohoj Rin, to advance gender equality and inclusive development.

Sudhangshu Shekhar Biswas, government relations adviser of M4C Project at Swisscontact, Shah A Sarwar, managing director and CEO of the bank, and Syeda Zinia Rashid, senior programme officer of the Embassy of Switzerland in Bangladesh, were present.

Senior officials from both the organisations, among others, were also present.



Md Saidul Islam, chairman of Jamuna Bank, cuts a ribbon to inaugurate its Chandina branch in Cumilla as chief guest.

PHOTO: JAMUNA BANK

Jamuna Bank opens Chandina branch in Cumilla

STAR BUSINESS DESK

Jamuna Bank opened a Chandina Branch in Cumilla, affirming its commitment to delivering efficient and modern banking services to the community.

It is the bank's 168th branch.

Md Saidul Islam, chairman of the bank, inaugurated the branch as chief guest, the bank said in a press release.

Mirza Elias Uddin Ahmed, managing

director and CEO of Jamuna Bank, presided over the programme, where Robin Razon Sakhawat, Redwan-ul Karim Ansari and Md Ismail Hossain Siraji, directors, and Md Abdur Rahman Sarker, independent director, were present.

Senior officials from the bank's head office, branch managers, local representatives, and a number of customers and dignitaries were also present.

Exim Bank signs deal to sell Popular Life's insurance products

STAR BUSINESS DESK

Exim Bank yesterday signed an agreement with Popular Life Insurance to start selling the latter's life insurance policies through bancassurance.

Mohammad Feroz Hossain, managing director and CEO of the bank, and BM Yousuf Ali, managing director and CEO of the life insurer, penned the deal at the bank's head office in Dhaka, the bank said in a press release.

Under this agreement, the bank will sell insurance policies issued by the

insurer to its customers in line with the bancassurance guidelines issued by the Bangladesh Bank and the Insurance Development and Regulatory Authority.

Md Humayun Kabir and Shah Md Abdullah Bari, additional managing directors of the bank, and Abdullah Harun Pasha, chief consultant of the insurer, were present.

Among others, Md Zoshim Uddin Bhuiyan, Maksuda Khanam and Md Moidul Islam, deputy managing directors, along with senior executives of both the organisations were also present.



Mohammad Feroz Hossain, managing director and CEO of Exim Bank, and BM Yousuf Ali, managing director and CEO of Popular Life Insurance, pose for photographs after signing an agreement on bancassurance at the bank's head office in Dhaka yesterday.

PHOTO: EXIM BANK



National Prof AK Azad Khan, president of the Diabetic Association of Bangladesh, and Shah Alam Sarwar, managing director and CEO of IFIC Bank, pose for photographs after signing a memorandum of understanding in Dhaka recently.

PHOTO: IFIC BANK

IFIC Bank joins hands with Diabetic Association

STAR BUSINESS DESK

IFIC Bank recently signed a memorandum of understanding (MoU) with the Diabetic Association of Bangladesh (DAB) to address the challenges posed by chronic disease in Bangladesh.

The bank will finance a project aimed at raising awareness and providing medical support to combat diabetes.

The project, styled "Country Changing Diabetes and Mobile Diabetes Care", includes mobile diabetes services,

diabetic screening of 1.5 million patients, risk identification through a digital app, free health check-ups, and creation of diabetes mapping throughout the country along with other facilities.

National Prof AK Azad Khan, president of the DAB, and Shah Alam Sarwar, managing director and CEO of the bank, struck the deal in Dhaka, the bank said in a press release.

Senior management from both organisations were also present on the occasion.

Mobile, internet users

FROM PAGE B4

He said the commission instructed the operator to not implement new shorter validities for balance top-ups.

Following customer criticism and the BTRC's instruction, Grameenphone raised the validity period for a minimum recharge of Tk 20 to 35 days from the previous 15 days on May 2.

Khalil-Ur-Rahman said the BTRC was working with the operator to provide an acceptable solution to the validity issue and would decide on whether mobile operators would be allowed to make such balance deductions.

Md Imran Hossain, a mobile subscriber from Jhenaidah, said he cannot avail services from the agent points of mobile operators.

"I don't get any services such as for SIM ownership transfer, mobile number portability and others," he added.

Md Aminul Haque, vice chairman of the BTRC, said public hearings are crucial for ensuring service delivery and do away with corruption and harassment.

Grameenphone and the Association of Mobile Telecom Operators of Bangladesh (AMTOB) did not immediately respond to The Daily Star's request for comment.

EBL Connect wins Digital CX Award

STAR BUSINESS DESK

EBL Connect, an online banking platform of Eastern Bank, recently won the "Outstanding Digital CX - Cash Management Platform 2024" award from The Digital Banker at the Digital CX Awards 2024 in Singapore.

Md Jabelul Alam, head of transaction banking at Eastern Bank, received the award, according to a press release.

With over 817 entries, EBL Connect has stood out in fulfilling the stringent criteria set by The Digital Banker's judging panel this year, composed of industry experts from world renowned organisations.

"This recognition underscores our commitment to providing



Md Jabelul Alam, head of transaction banking at Eastern Bank, receives an award at the Digital CX Awards 2024, organised by the Digital Banker in Singapore recently.

PHOTO: EASTERN BANK

Exporters cheer weaker taka

FROM PAGE B1

weakening amid increasing pressure on the foreign exchange reserves.

The local currency depreciated 28 percent, to Tk 110 per dollar, between January 2022 and April 2024. In informal curb markets, the rate even crossed Tk 120 per dollar.

Following the latest depreciation through the crawling peg, which was introduced for the first time in the history of Bangladesh, the taka lost 6.36 percent of its value, falling to Tk 117 per dollar.

Including yesterday's depreciation, the taka has lost 36 percent of its value against the greenback since January 2022.

However, exporters welcomed the decision to introduce the crawling peg, which saw the exchange rate hiked to Tk 117 per dollar from Tk 110, as it will make them more competitive.

It will provide a boost as the government has already reduced incentives on export receipts as the country is going to graduate from least developed country status in 2026.

Under the rules of the World

Trade Organisation, developing and developed countries cannot directly provide subsidies on export receipts. But the government can offer benefits indirectly, such as by hiking the exchange rate, providing policy support or offering technological upgradation or skill development funds to make export-oriented sectors more competitive.

"It was necessary for us as the cost of doing business rose significantly due to increasing gas and power tariffs. The government also reduced the cash incentive on export receipts," said SM Mannan Kochi, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

A suffocating situation was created for garment exporters because of the higher cost of doing business and the latest move by the central bank will provide some relief, Kochi said.

But exporters will have to keep in mind that they must negotiate higher prices from international retailers and brands so they are not deprived of the benefits provided by such a decision, the BGMEA

chief also said. Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said it was a proper step towards a market-based exchange rate.

"We expect this move to ease the balance of payment pressure despite its impact on costs. We hope this will precipitate a single exchange rate across the board," the DCCI chief said.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said: "I welcome the move to introduce the crawling peg, which will eventually make us strong in exchange rate of dollar and taka."

However, if the exchange rate for remittances is higher than for exports, there will a problem, he said. Hatem added that if the new exchange rate could be standardised in the banking system, it would be better.

But if the rate varies between Tk 120 and Tk 122 per dollar in case of buying dollars to open letters of credit, then exporters will face difficulties.

Hatem also urged the government to ease business rules and reduce harassment of exporters to facilitate more trade. Reducing harassment would also work as an incentive for businessmen, he added.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, also welcomed the move.

"In fact, I have been talking about introducing the crawling peg for many months as businessmen have been getting less due to the exchange rate," Khokon told The Daily Star over phone.

He added that the government should not interfere with the crawling peg system directly or indirectly.

Bangladesh adopted a floating exchange rate regime in May 2003 as part of a comprehensive medium-term economic programme to promote growth and alleviate poverty, according to the International Monetary Fund.

However, the floating rate was on paper as the central bank officially or unofficially directed the course of the exchange rate.

Khalilur Rahman becomes the new chairman of National Bank

STAR BUSINESS DESK

The Bangladesh Bank has recently appointed Khalilur Rahman as the chairman of National Bank.

Rahman is one of the sponsor directors of National Bank, according to a press release.

An industrialist and business personality of Bangladesh, he is the chairman of KDS Group, one of the largest conglomerates in the country with a footprint in almost all sectors.

He is the president of the Chittagong Metropolitan Chamber of Commerce & Industry, vice-president of Bangladesh Inland Container Depot Association, and chairman of the Bangladesh CR Coil Manufacturers & Exporters Association.

Rahman was also one of the founding sponsors of Al-Arafah Islami Bank and currently holds significant shares of the bank.

He is also a shareholder of Pragati Insurance and Pragati Life Insurance, a life member of Bhatiyar Golf and Country Club, Chittagong Boat Club, Chittagong Club, Chittagong Metropolitan Lions Club, and Chittagong Maa & Shishu Hospital & Ziri Zanakollan Trust.

Oil price slides

REUTERS

Oil prices fell on Wednesday as industry data showed a rise in crude and fuel inventories in the US and as the US dollar strengthened, signalling that demand for oil is coming under pressure.

Brent crude oil futures fell \$1.11, or 1.3 percent, to \$82.05 a barrel by 0955 GMT. US West Texas Intermediate crude futures fell \$1.15, or 1.5 percent, to \$77.23 a barrel.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAY 8, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 76	-7.1 ↓	3.70 ↑
Coarse rice (kg)	Tk 50-Tk 54	1.96 ↑	8.33 ↑
Loose flour (kg)	Tk 35-Tk 45	-8.05 ↓	-29.20 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 150	0	-15.71 ↓
Potato (kg)	Tk 46-Tk 55	6.32 ↑	34.67 ↑
Onion (kg)	Tk 65-Tk 75	21.74 ↑	27.27 ↑
Egg (4 pcs)	Tk 45-Tk 47	15.00 ↑	-3.16 ↓

SOURCE: TCB

PLAINLAND ETHNIC MINORITY COMMUNITIES

Nearly 80% of households have no access to credit: report

STAR BUSINESS REPORT

Nearly 80 percent of households of plainland ethnic minority communities have no access to credit, be it through formal or informal sources, as per a new study made public yesterday.

Over 80 percent of the households are afflicted by poverty. In contrast, the national average for rural areas was 20.5 percent in 2022.

Moreover, the average monthly per capita income per member of the households is about Tk 1,600. The national average for rural areas was Tk 6,091 in 2022.

On top of it, there is hardly any household with formal land entitlements or ownership.

The study was published in Bangladesh Poverty Watch Report 2023 which was jointly prepared by the non-profit Institute for Inclusive Finance and Development (InM) and think-tank Center for Inclusive Development Dialogue (CIDD).

The report was launched through a ceremony at the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) in Dhaka.

"Although non-government organisations and microfinance institutions have wide coverage of their activities in the plains, very few of the plainland ethnic communities have so far been included in their programmes," said the report.

"It happens due to constraints operating both on demand and supply sides," it added.



There are over 30 ethnic groups living and working in the country's tea plantations, where living conditions are generally unsatisfactory, and workers face specific forms of discrimination, said a report.

PHOTO: STAR/FILE

The study was based on responses from 300 people, comprising members of plainland ethnic and river gypsy (bede) communities and sex workers, availed from June to September last year.

There are over 30 ethnic groups living and working in the country's tea plantations, where living conditions are generally unsatisfactory, and they face specific forms of discrimination, said the report.

River gypsy communities encounter extreme vulnerabilities in social, economic and political spheres, all manifesting from poverty, substandard living conditions and a lack of access to education, it said. They are often subjected to human rights violations, primarily due to discrimination and racial violence, it added.

Sex workers find it extremely difficult

to access their fundamental rights, such as living in constant fear of eviction and sex trafficking and having little to no access to the law and social practices, healthcare and alternative employment opportunities, said the report.

"In terms of inclusive growth, without addressing these vulnerable groups, Bangladesh would not be a 'Smart Bangladesh'," said Mustafa Kamal Mujeer, executive director of the InM.

"These underprivileged communities deserve intensive care from the government as well as from the private sector," he said.

This will not be possible while sitting back in Dhaka. Authorities have to address the root of the problems, he suggested.

Qazi Kholiquzzaman Ahmad, chairman of the InM, said there are ample government policies to address the challenges faced by the vulnerable groups.

"But there is a lack of coordination and a tendency to ignore the policies," he said. "The poverty rate has reduced but it did not come about for the low-income groups," he said.

Acknowledging the income disparity, MA Mannan, chairman of a planning ministry standing committee, said, "We have to take action to reduce it."

He also underscored the need to reduce unnecessary spending and to focus on projects which would bring substantial returns for the country.

Syed Nuruddin Ahmed, managing trustee of the CIDD, and Farhana Nargis, research fellow of the InM, also spoke.

BASIS holds election for executive council

STAR BUSINESS REPORT

Russell T Ahmed is set to retain his position as president of the Bangladesh Association of Software and Information Services (BASIS) as his panel, One Team, secured eight of the 11 positions available on the organisation's executive council.

The election for the executive council, held biennially, took place yesterday with 33 candidates vying for the 11 positions.

Among them, 8 candidates were elected from the general category and one each from the associate, affiliate and international categories.

All candidates competing in this election come from three panels: Team Smart, One Team, and Team Success.

Apart from Ahmed, the seven other elected members from One Team are: M Rashidul Hasan, Didarul Alam, Iqbal Ahmed Fakhrul Hasan, M Asif Rahman, Syed Abdullah Jayed, Biplob Ghosh Rahul and Syed Mohammad Kamal.

Md Mostafizur Rahaman Sohel, leader of Team Smart, secured the highest votes in the election. Mir Shahrukh Islam and Muhammad Risalat Siddique also won from this panel.

No candidate from Team Success, led by Mustafa Rafiqul Islam Duke, was elected. Out of 1,464 voters, 1,157 voted in this year's BASIS election.

STOCKS	
DSEX ▼	CASPI ▼
0.6%	0.5%
5,690.78	16,313.06

COMMODITIES	
Gold ▼	Oil ▼
\$2,310.71	\$77.9
(per ounce)	(per barrel)

Dhaka Bank, VISA launch debit card for WeGro's farmers

STAR BUSINESS DESK

Dhaka Bank and VISA launched a co-branded debit card for WeGro Technologies' farmers, for whom the Swiss Agency for Development and Cooperation (SDC) has been working for a long time.

The representatives of the SDC recently met farmers at Satiantola in Bogura Sadar, where the bank and its global digital payment provider launched the card, according to a press release.

The Dhaka Bank team opened bank accounts for a few farmers within a very short time and issued a co-branded debit card.

WeGro farmers can access the bank's loans and purchase essential inputs such as seeds and fertilisers with this card.

This card is a milestone towards the digitalisation of financial services for farmers in Bangladesh, especially in rural areas.



Sabine Rosenthaler, head of Section Asia at the Swiss Agency for Development and Cooperation, and HM Mostafizur Rahaman, executive vice-president and head of retail business of Dhaka Bank, inaugurate the co-branded debit card for WeGro farmers at Satiantola in Bogura Sadar recently.

PHOTO: DHAKA BANK

Market-driven interest rate returns

FROM PAGE B1

Star that adopting a market-based interest rate was a bold step.

Hussain, also the managing director of BRAC Bank, said when the government interferes in the economy, the market can become unstable.

The new decision will bring governance to the economy, he said.

"The flexible interest rate and the exchange rate will also help reduce capital flight from Bangladesh. This is good news for the economy."

Now, the interest rate will be fixed based on the bank-client relationships and the demand for loans and the supply of loanable funds in the banking sector.

"Inflation will also come down to the expected level due to the hike in the policy rate," Hussain added.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, welcomed the central bank's decision to scrap the rates based on the Six-months Moving Average Rate of Treasury bills, abbreviated as SMART, and opt for a

market-based interest rate.

In July last year, the central bank introduced the SMART rate, withdrawing the 9 percent lending rate cap and 6 percent deposit rate cap which it had imposed in April 2020. Under the SMART formula, banks were not allowed to raise the interest rate after a certain point.

Now, the banks can impose the interest rate considering their costs of fund. So, the interest rate will be market driven. "Bankers always want the market to determine the interest rate," Rahman said.

He thinks the interest rate will not rise significantly after the withdrawal of the SMART rate. Moreover, as the central bank has hiked the policy rate, it will make money costlier.

As both policy changes came simultaneously, the interest rate may rise for a few days but not to a major extent.

Rahman, also a former chairman of the Association of Bankers' Bangladesh, said raising the policy rate was an expected move as the

central bank announced a contractionary monetary policy last January to tame inflation.

The policy rate, the rate at which the central bank lends to financial institutions, was the ninth straight spike since the tightening cycle began in May 2022, as inflation showed no signs of cooling.

Stock market analysts also welcomed BB's decisions.

Shahidul Islam, chief executive officer of VIPB Asset Management Company, said macroeconomic stabilisation is a pre-condition for a good stock market.

"The new decisions will be helpful for macroeconomic stabilisation, so it will be helpful for the market in the long run. The market-based interest rate will make loans available to those who need them."

Subir Kumar Ghose, chief executive officer of Partex Petro Ltd, said it was really tough to instantly predict the impact of the decision.

However, he opined that interest rates would

increase initially, which would impact overall business negatively.

Ghose also said it would depend on supply and demand of loans.

He assumed the interest rate may grow to 18 to 20 percent and would be reflected by higher costs of production.

"But ultimately the burden will fall on the shoulders of the consumers as businesses will pass on the rise in costs to consumers."

Regarding the crawling peg exchange rate system, Ghose said it was a good solution to stabilise the exchange rate and appreciated that banks could no longer charge as per their wishes.

According to him, banks had charged higher rates for US dollars than the rate fixed by the government, causing importers to suffer when opening letters of credit.

Humayun Rashid, managing director and CEO of Energypac Power Generation, thinks the interest rate would go up immediately because banks would look to increase the lending rate since they are

paying higher interest for deposits.

"The market-based interest rate would definitely increase the cost of doing business. Against this backdrop, investment will slow as businessmen will be discouraged from investing in new projects, which in turn will narrow employment opportunities."

Rashid expressed concerns over the crawling peg, saying although the export sector would benefit, it would increase import costs.

Amirul Haque, managing director of Premier Cement Mill, said the central bank relinquished the control to private banks since the BB will no longer have any say about interest rates.

This system can also lead to all kinds of investment getting stuck as investors who took the initiative to expand or adopt new plans will not implement them due to high interest rates, he added.

"As a result, money will flow to unproductive sectors and economic growth will be hampered greatly."

However, he has some suggestions to make the journey less painful, namely improving efficiency.

"There are areas where efficiency improvement is possible and the costs of doing businesses could be reduced. If that is done, we can minimise the pain in the short term," Rahman said.

Dollar gains ground

REUTERS, London

The dollar held firm on Wednesday, recouping some of the losses stemming from renewed bets on Federal Reserve rate cuts this year, while the yen weakened for a third day, keeping investors wary of the risk of intervention from Tokyo.

In Europe, the Swedish crown came under pressure after the central bank

cut interest rates and said it expected two more cuts this year, while the pound was stuck in negative territory ahead of a Bank of England meeting the next day.

The yen remained front of mind for currency traders, weakening for a third day and prompting Japanese officials to issue a stronger warning over the impact of the weak currency on the economy.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
District: Rangpur
www.lged.gov.bd

শেখ হাসিনার মূলনীতি
গ্রাম শহরের উন্নতি

Memo No. 46.02.8500.000.07.108-23-1494 Date: 07.05.2024

Specific Procurement Notice

Country: Bangladesh
Name of Project: "Rangpur Division Agriculture and Rural Development Project" in Bangladesh
Procurement of Works
Sector: Agriculture and Rural Development
Mode of Financing: Istitina'a Loan
Financing No: 2BD-0186

Contract Title: "Package W-25: Construction of Rural Road and Drainage Culverts (Rangpur District)".
NCB Reference No: 32/2023-2024

1. The People's Republic of Bangladesh has received financing from the Islamic Development Bank (IsDB) towards the cost of Rangpur Division Agriculture and Rural Development Project and intends to apply part of the proceeds toward payments under the contract as mentioned in table below.

2. The Executive Engineer, Local Government Engineering Department (LGED), District: Rangpur, Bangladesh now invites sealed bids from eligible bidders for the following works under the above project.

Sl. No.	Contract No.	Description of works	Price of bidding documents (in BDT)	Amount of bid security (in BDT)	Contract completion time (days)
	LGED/RADARDP/Rangpur/W-25	1) Improvement of Zolubari Narayanjon Mouza-Badiyer Bhanga Road By BC at Ch.00+000km-Ch.02+350km under Taraganj Upazila (Road ID: 185925024), 2) Improvement of Dangirhat (UP HQ)-Suranger Bazar Via Bayan House Road By BC at Ch.05+960km-Ch.06+960km under Taraganj Upazila (Road ID: 185923005), 3) Improvement of Pallar Hat to Barai Bari Hat via Kutirpar Hat Road at Ch.05+170km-06+370km under Gangachara Upazila (ID No-185274018), 4) Improvement of Betgari-Chandoner Hat pucca Road near Bahur More to Bannibari pucca Road from Ch.00+000km-00-980km under Gangachara Upazila (ID No- 185275263), 5) Improvement of Burirhat-Kakina Pucca Road near Serajul Market - Kashivabari Hat road from Ch.03+000km-04+000km under Gangachara Upazila (ID No-185275160), & 6) Improvement of Sarderpara-Tulshibairagirhat Road from Ch. 00+700km-01+650km under Upazila: Gangachara (ID No-185274025), District-Rangpur	3,000.00	25,75,000.00	300 days

3. Bidding will be conducted through the National Competitive Bidding (NCB) procedures as specified in IsDB's Guidelines for the Procurement of Goods, Works and Related Services under Islamic Development Bank Financing, April 2019 edition (revised in February 2023), and is open to all eligible bidders as defined in the Guidelines. In addition, please refer to paragraphs 1.9.1-1.9.4 contained in Chapter 1, Part 1 of Procurement Guidelines.

4. Interested eligible bidders may obtain further information and inspect the bidding documents during the office hours 9:00 to 16:00 hours on all working days upto 11 June 2024 to Mohammad Shahjahan Ali, XEN, Office of the Executive Engineer, LGED, Rangpur.

5. A complete set of bidding documents (English) may be purchased by interested eligible bidders on the Submission of a written application to the office of the Executive Engineer, LGED, District: Rangpur, Bangladesh, Telephone: 02589962730, Email: xen.rangpur@lged.gov.bd and upon payment of a non-refundable fee as mentioned in table above only during office hours on all working days until 11:00 hours on 11 June 2024. The method of payment will be in the form of Cash, Pay Order/Bank Draft from any scheduled Bank in Bangladesh, drawn in favor of Executive Engineer, LGED, District: Rangpur. The Document may be sent by air mail or courier or may be collected through authorized representatives of the bidders.

6. Bid must be delivered to the address below on or before 11:30 hours on 12 June 2024. Electronic Bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened at 11:30 hours on 12 June 2024 in the presence of the bidders' designated representatives and anyone who choose to attend at the address below.

7. All bids must be accompanied by a Bid security of amount BDT 25,75,000.00.

8. Address referred to the above is: Office of the Executive Engineer, LGED, Rangpur.

Mohammad Shahjahan Ali
Executive Engineer
LGED
District: Rangpur, Bangladesh
Telephone: 02589962730
Email: xen.rangpur@lged.gov.bd
Website: www.lged.gov.bd

GD-746

Journey to be painful

FROM PAGE B1

"The depreciation will help increase. The government should also discontinue giving the subsidy for remittance," Mansur added.

Asked whether the measures will bring back stability in the economy, he said: "This is a necessary step, but not sufficient. But without these steps, taking

the economy out of crisis would not be possible."

"We have to cut out our spending in the national budget as well," he added.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said the measures by the central bank will stabilise the exchange rate, foreign exchange reserves, and the

overall economy.

"Obviously there are pains but the policies have been taken through direction. We have to take the pain to tackle the risks," he added.

Overall interest rates will increase for the hikes in the policy rate and discontinuation of SMART. The relaxation of the exchange

rate regime will make imports expensive as well.

"Although there is a concern regarding imported inflation for higher exchange rate, given the current risks and uncertainty we have to accept this if we want to ensure low inflation and high economic growth," Rahman said.

BSEC gets two new commissioners

STAR BUSINESS REPORT

The government yesterday appointed two commissioners at the Bangladesh Securities and Exchange Commission (BSEC) for a four-year term while extending the tenure of an existing commissioner by another term.

The newly appointed commissioners are: Mohammad Mohsin Chowdhury, former director general of Bangladesh Karmachari Kalyan Board, and ATM Tariquzzaman, managing director of the Dhaka Stock Exchange.

The finance ministry made this announcement through separate circulars regarding their appointment.

Besides, the tenure of an existing commissioner, Shaikh Shamsuddin Ahmed, was extended.

The new commissioners have been appointed for a period of four years beginning from May 20 this year, according to the notification.



A woman is seen talking on her mobile phone while clearing litter and debris off the ground outside the Old Rail Station in Chattogram city. Mobile phone and internet users yesterday complained of the poor service quality provided by local operators during a hearing arranged by the telecom regulator at its office in Dhaka.

PHOTO: RAJIB RAIHAN

Shahjalal Islami Bank's Q1 profit up 28%

STAR BUSINESS REPORT

Shahjalal Islami Bank (SIBL) reported a 28 percent year-on-year increase in profit in the January-March quarter.

Its profit was Tk 20 crore in the first quarter, up from Tk 15.58 crore a year earlier.

The jump in profit increased the consolidated earnings per share to Tk 0.18 from Tk 0.14, the lender said in a filing to the Dhaka Stock Exchange yesterday.

The bank registered strong growth in its consolidated net operating cash flow per share. It was Tk 0.82 in the negative against Tk 5.55 in the negative.

SIBL said in its unaudited financial statement that a lower cash outflow in deposit and investment compared to the previous year's first quarter was helpful in improving the cash flow.

The first quarter profit growth follows on the back of SIBL's net profit of Tk 362.48 crore for the year ended December 31, 2023, the highest in five years.

The profit for 2023 marked a nearly 3 percent increase from Tk 352.5 crore in 2022.

Founded in 2001, SIBL has a network of 140 branches across the country and 132 ATM booths. Its authorised capital stands at Tk 1,500 crore and the paid-up capital at Tk 1,029 crore.

Mobile, internet users complain of poor service at BTRC hearing

STAR BUSINESS REPORT

Mobile and internet subscribers in Bangladesh yesterday complained about several issues, including poor network coverage, slow internet speeds and "unjust" balance deductions of local carriers.

The subscribers also expressed dissatisfaction over the lack of certain services, such as for SIM ownership changes and mobile number portability, during a public hearing organised by the telecom regulator.

Around 20 mobile and internet users attended the event, with five connecting via Zoom and three via Facebook Live while the rest were present physically at the Bangladesh Telecommunication Regulatory Commission's (BTRC) office in Dhaka.

KM Nahiyani, a businessperson who lives in Dhaka's Dhanmondi, said he has been complaining to Grameenphone for two years now that he has not been getting network coverage in his house despite its prime location.

"But unfortunately, they (Grameenphone) have not provided any solution," he added.

Grameenphone had only assured him that the situation would improve after they install a cell tower in the area, informed Nahiyani.

"However, locals are barring Grameenphone from installing the tower," he said.

Nahiyani also said he was surprised that the company was not offering simple technology like VoWiFi, which would reduce call drops.

VoWiFi or voice over WiFi enables calls over WiFi networks, enhancing coverage and quality, especially in areas with poor cellular reception.

Brig Gen Kazi Mustafizur Rahman, director general of the Engineering and Operations Division at the BTRC, said there were seven

Grameenphone cell towers in the area where Nahiyani lives.

However, the even distribution of network signals sometimes faces obstacles due to increasing building density, he said.

"So, the BTRC is working on including a 'digital connectivity' chapter in the building code for ensuring better networks," he added.

Md Mohiuddin Ahmed, chairman of the BTRC, said people often oppose the setting up of new cell towers in their localities due to a fear of radiation, affecting the network coverage of mobile operators.



However, radiation emanating from mobile towers in Bangladesh is considerably lower than the safety level, he added.

Another user, Mustafa Wasif Rifat, who lives in the capital's Agargaon, asked why 5G has not been launched in Bangladesh even though an auction for the required spectrum was held in 2022.

In reply, Brig Gen Mohammad Moniruzzaman Jewel, director general of the spectrum division at the BTRC, said they think that under the current circumstances, quality enhancement of 4G is more important than rolling out 5G.

He said the BTRC is also working to determine how and when 5G should be launched in Bangladesh.

Munshi Aminur Rahman, a resident of the capital's Khilgaon, said he resides in a condominium featuring 10 buildings and 488 flats.

However, they are not getting quality broadband internet, he said.

He claimed that a local ward commissioner was running an illegal broadband business and the service quality was very bad.

Besides, legal broadband service providers are barred by the ward commissioner's aides from providing services in the area, he said.

Against this backdrop, he demanded that state-run Bangladesh Telecommunications Company Limited provide internet connections in the area.

Hearing this, Zumaid Ahmed Palak, state minister for information and communication technology, promptly called a BTCL officer and instructed him to ensure their services in the area within seven days.

A mobile network user named Russel, who attended the hearing from Keraniganj via Zoom, asked if unregistered phones would be disconnected from mobile networks.

Sheikh Reaz Ahmed, a commissioner of the BTRC, said phones currently in use were being registered with the BTRC's system and they have no plans to disconnect unregistered ones for now.

Mohiuddin Ahmed, another mobile subscriber, claimed that Grameenphone was carrying out "dacoity in broad daylight" by deducting customers' mobile balance on reducing the validities of top-ups.

Brig Gen Mohammad Khalil-Ur-Rahman, director general for the systems and services division of the BTRC, said they had also noticed the issue.

READ MORE ON B2

IFIC Bank's Q1 profit tumbles 35%

STAR BUSINESS REPORT

IFIC Bank PLC reported a 35 percent year-on-year fall in profit for the first quarter of 2024.

The profit stood at Tk 40.27 crore in January-March this year compared to Tk 62.23 crore in the same period last year.

Therefore, the consolidated earnings per share (EPS) decreased to Tk 0.22 from Tk 0.34, the lender said in a filing on the Dhaka Stock Exchange.

The bank, in its unaudited financial statements, attributed the lower EPS to the reduced profit generated by its subsidiaries.

The consolidated net operating cash flow per share (NOCFPS) saw a significant increase of 206 percent, rising to Tk 3.16 in Q1 of 2024 from Tk 2.97 in the negative in the same period in 2023. The bank credited a high increase in deposits for the NOCFPS growth.

The consolidated net asset value per share was Tk 19.96 on March 31 this year from Tk 18.70 on the same day a year prior.

The latest fall in earnings comes after IFIC posted a nearly 13 percent year-on-year profit decline to Tk 300.21 crore in the year that ended on December 31. Still, it was the bank's second-highest profit in the last five years.

IFIC Bank was established in 1976 as a joint venture between the government of Bangladesh and sponsors in the private sector.

Currently, the government holds a 32.75 percent stake in the bank, while sponsors and directors own 4.11 percent. The rest is held by both local and foreign institutions and general shareholders.

With a paid-up capital of Tk 1,785 crore, IFIC Bank operates with 187 branches and 1,145 sub-branches across the country.

Shares of the bank declined 2.91 percent to Tk 10 yesterday.

Best Holdings sees 32% rise in profit in July-March

STAR BUSINESS REPORT

Best Holdings, which operates five-star hotel Le Meridien Dhaka, registered a 32 percent year-on-year growth in profit in the July-March period of the current fiscal year of 2023-24, attributing it to an increase in occupancy.

The profit amounted to Tk 105.31 crore, according to its unaudited financial statements.

It was Tk 79.62 crore in the same nine months of the previous fiscal year of 2022-23.

The company's revenue increased by 25 percent in the first three quarters of the current fiscal year due to a rise in occupancy, Company Secretary Abul Kalam Azad told The Daily Star yesterday.

During the period, the company generated Tk 299.38 crore in revenue.

It was Tk 239.57 crore during the same period of the previous fiscal year.

Against this backdrop, the company's earnings per share stood at Tk 1.10 in the first nine months of this fiscal year.

It was Tk 0.86 during the corresponding period of the previous fiscal year.

Share of the company closed at Tk 38.80 at Dhaka Stock Exchange yesterday, decreasing by 2.27 percent from that on the previous day of trade.

The hotel currently has 304 rooms and the company is constructing another 58 with a target to complete the work within the next six months. This will substantially augment revenue generation, said Azad.

Renewables provided record 30% of global electricity in 2023

REUTERS, London

Growth in solar and wind power pushed renewable generation to a record 30 percent of global electricity production in 2023, putting a global target to triple renewable capacity by 2030 within sight, a report by think tank Ember said.

Cutting fossil fuel use and emissions in the power sector is seen as vital to meeting global climate targets. More than 100 countries at the COP28 climate summit in Dubai last year agreed to triple renewable energy capacity by 2030.

Ember's Global Electricity Review showed renewable sources provided 30.3 percent of global electricity last year, up from 29.4 percent in 2022 as growth in projects, particularly solar, increased capacity.

"The rise in solar capacity that happened during 2023 really unlocks the possibility that we are able to reach that level of renewables by 2030, and the tripling of capacity that was promised at COP28," Dave Jones, Ember's director of global insights said in an interview.

More than half of the global additions in solar and wind capacity came in China last year, the report said, with total global solar generation up 23.2 percent and wind power up 9.8 percent.

Industry experts have said issues around grid connections and permits for new projects need to be solved for the target to be met. The report predicted continued renewable growth would see fossil fuel power production fall by 2 percent in 2024 and push overall fossil fuel power production to less than 60 percent of global electricity production for the first time since at least 2000, when Ember's data begins.

AFP, Beijing

Struggling foreign automakers in China are looking for help from local tech giants to try to stay competitive in the world's biggest electric car market, where shiny smart screens, assisted driving and sophisticated map technology are in high demand.

At the recent Beijing Auto Show, China's biggest car expo, a number of foreign firms announced tech partnerships -- from Nissan joining forces with Baidu to Toyota signing a cooperation agreement with Tencent.

The two Japanese companies are among a number of traditional auto juggernauts, once dominant in China, that are now struggling to keep pace with a new generation of local EV startups.

"They are notoriously conservative companies and their competencies aren't technology," Tu Le, managing director of Sino Auto Insights, told AFP.

"They've tried to invest in frontier technology for the automotive space but it doesn't come naturally," he said.

"But they are being forced to try to be more open-minded towards technology due to where the market is moving in China and the new entrants into the space -- companies like Xiaomi and Huawei

Car giants seek tech allies in China's cutthroat EV market

with high tech consumer products tech to wealthier consumers.

As a result, foreign firms have suffered, Gregor Sebastian, a senior analyst and EV industry expert with the Rhodium Group, an independent research firm, told AFP.

"Foreign car makers in China in



Crowds gather to view a Kia EV5 at the Beijing Auto Show on May 3. Foreign firms are in a brutal price war with more than 100 Chinese electric car brands, all fighting to offer the most attractive prices and the most advanced tech.

PHOTO: AFP