

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.