

Star BUSINESS

The telecom regulator will spend Tk 12 crore to purchase equipment for measuring the levels of radiation emanating from mobile phone towers



Story on B4

Banks go slow in raising interest rates

MD MEHEDI HASAN

Bangladesh restored a market-driven interest rate regime after a gap of four years on Wednesday, allowing banks to price loans in line with demand.

However, most of the banks plan to adopt a go-slow strategy when it comes to revising the lending rates upwards and will continue to offer funds under the current rates.

The interest rates on consumer loans, forced loans and overdue loans are likely to go up rapidly in the upcoming months, however.

Forced loans are created when customers fail to make their LC (letter of credit) payments on maturity, and yet banks have to honour their obligations to foreign banks.

When borrowers fail to clear instalments on time, the loan is categorised as overdue.

Last week, the Bangladesh Bank scrapped the SMART formula to make interest rates fully market-based, less than a year after the Six-month Moving Average Rate of Treasury bills (SMART) was introduced and the 9 percent lending rate cap lifted.

Even before the SMART formula was abolished, the maximum lending rate was 13.55 percent, much higher than the ceiling that existed for more than three years.

Thus, most of the banks want to continue the current lending rates and plan to revise them after assessing the situation since a sharp rise in the cost of funds may make existing borrowers unable to pay back while the demand for fresh loans may fall.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, told The Daily Star that his bank would not hike the interest rates abruptly.

READ MORE ON B3

Reserves fall below \$19b

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves fell below the \$19-billion mark yesterday, the first time in the current fiscal year.

The reserves came down to \$18.26 billion after the central bank settled \$1.63 billion worth of import bills of two months through the Asian Clearing Union (ACU), Bangladesh Bank Spokesperson Md Mezbahul Haque told The Daily Star.

The country's gross foreign exchange reserves were \$19.82 billion on May 8, as per the calculation method of the International Monetary Fund.



Uncertain bets: bad stocks rule the roost

AHSAN HABIB

If investors hold the stocks of well-performing companies, they are usually awarded better returns since firms with strong fundamentals fare well and pay healthy dividends and their market value rises. The standard appeared to be the opposite in Bangladesh between January and April.

Investors who owned the issues of good companies that provided at least 50 percent dividend in their last financial year incurred losses in the first four months of 2024. On the other hand, people who bet on low-performing companies, which declared less than 15 percent dividends, saw their portfolio inflate.

It came as the stocks of United Power, Walton, ACL, Renata, British American Tobacco, and Bangladesh Submarine Cables plummeted more than 30 percent in the four-month period. Grameenphone shares shed 17 percent.

In contrast, Bangladesh Monospool Paper Manufacturing, Taufika Foods and Lovello Ice-Cream, Paper Processing, Khan Brothers PP Woven Bag, and Beach Hatchery surged more than 50 percent, handing an unusual return to their holders in a market struggling to retain investors.

The disappointing stock market performance of good companies has left Nur Mohammad, a banker and a trader, upset since his portfolio, which includes shares of BATBC, Walton and Square Pharmaceuticals, did not yield the level of returns he had expected.

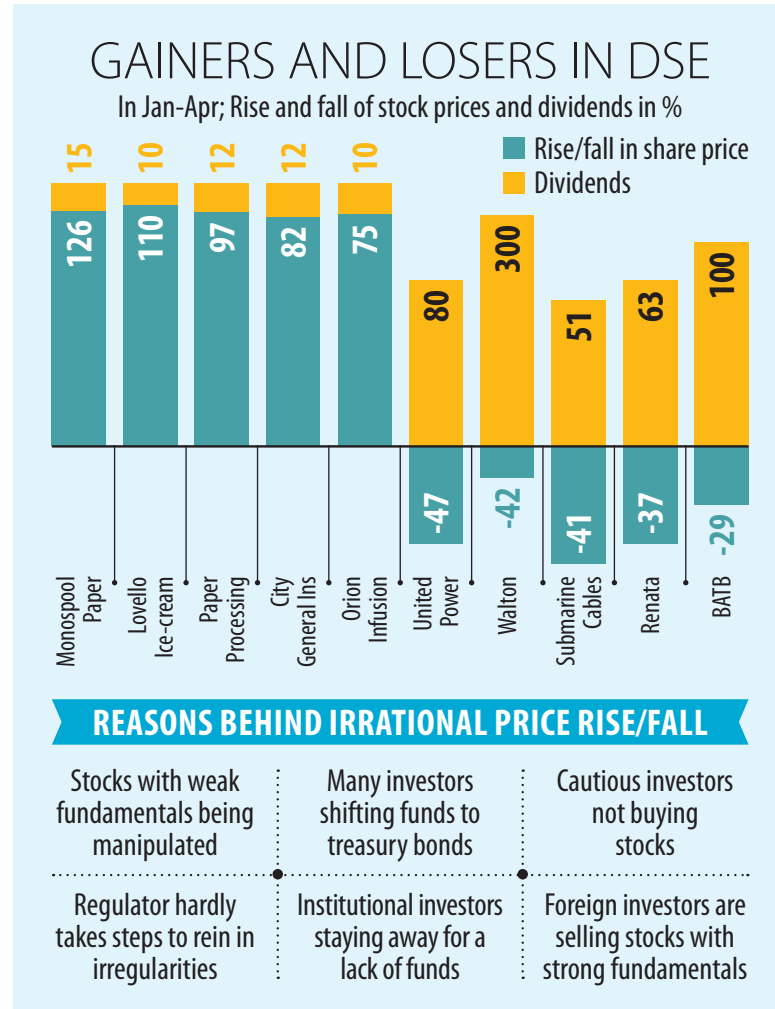
"Analysts always say if you invest in good stocks, you will never lose money. I always listen to their advice and I have invested in good companies, but the value of my portfolio has fallen by 20 percent."

He alleged that some of his friends purchased the stocks of Lovello after a rumour went around that manipulators would drive up its price. The rumour turned out to be true and the share soared 30 percent.

"How will a good investor stay in such a manipulation-driven market? It is not a market for good investors," Nur Mohammad added.

United Power Generation, a blue-chip company that paid 80 percent cash dividend in its last financial year, dropped 47 percent in January-April while electronics giant Walton, which provided a 300 percent cash dividend, dipped 42 percent.

Stocks of ACL, a well-known company that owns several popular brands and provided 40 percent cash dividend, gave up



46 percent. Renata, one of the top pharmaceutical companies in Bangladesh, gave a 62.5 percent cash dividend in its last financial year and its shares fell 37 percent.

The shares of British American Tobacco, a top multinational company, went down by 30 percent. It provided a 100 percent cash dividend last financial year.

Overall, the DS30, the index that shows the ups and downs of blue-chip stocks on the Dhaka Stock Exchange, dropped 8 percent to 1,995 between January and April.

On the other hand, Bangladesh Monospool Paper Manufacturing, a low-paid-up capital-based company that provided a 15 percent dividend, topped the gainers' list in the four months rocketing 126 percent.

The second-highest gainer was Taufika Foods and Lovello Ice-cream PLC, with its shares more than doubling. Paper Processing & Packaging doubled as well.

Lovello paid a 10 percent dividend in its last financial year and it had no record of awarding more than 12 percent in dividends. Paper Processing gave a 12 percent cash dividend last year.

Prof Abu Ahmed, a former chairman of economics department at the University of Dhaka, said the

market has behaved like a casino in the past two years.

"Under-performing stocks are rising continuously. This cannot happen in a healthy market."

He said the market behaviour has been abnormal, so most investors are chasing the shares at the centre of price manipulation. "The shares that regularly top the gainer and turnover lists are full of this type of scrips."

Prof Ahmed thinks only manipulation can push up the prices of low-performing stocks to a higher level. "Unfortunately, the regulators have turned a blind eye to manipulation."

Since the market is not functioning as per the rules, good investors are selling their shares and leaving the market. Thus, even though good companies posted higher profits in their last quarter, their shares fell.

"The investors are trying to leave the market by any means," Ahmed said.

Data from Central Depository Bangladesh Limited (CDBL) showed that the number of beneficiary owners' accounts dropped by 20 lakh, or around 14 percent, in the last two years.

READ MORE ON B3

NBR may take host of measures to boost collection

STAR BUSINESS REPORT

The National Board of Revenue (NBR) plans to take a host of measures to augment tax collection in fiscal 2024-25 and meet an increased portion of public expenditure through taxes, finance ministry officials said yesterday.

The measures include keeping the tax-exempt income threshold unchanged at Tk 3.5 lakh, a move that is expected to increase revenue receipts and bring more people under the tax net.

To boost direct tax collection further, the NBR may restore the highest rate to 30 percent, which existed until fiscal 2019-20.

The lifting of that rate drew criticism from many quarters, particularly from the Centre for Policy Dialogue (CPD).

Possible tax measures in FY2024-25

- Tax-free income ceiling unlikely to change
- Highest tax rate may be restored to 30%
- Corporate taxpayers may know the tax rates on a prospective basis
- Some sub-sectors of IT industry may enjoy tax exemption
- Assessment power of tax officials may go
- List of VAT exempted items may decline

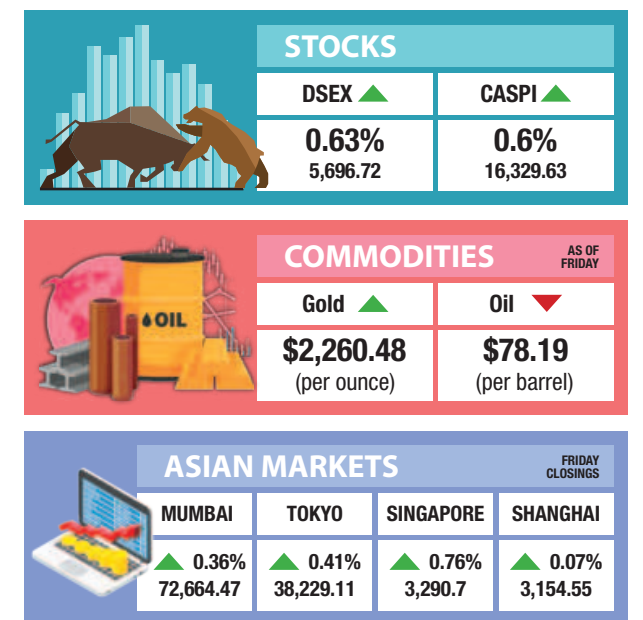
The independent think-tank said reducing the highest tax rate was against the cause of promoting tax justice and proposed that it be restored to the previous level.

Besides, the tax authority is considering the continuation of tax exemptions for the IT and IT Enabled Services (ITES) sector in fiscal 2024-25.

However, entrepreneurs of some sub-sectors of the IT and ITES industry may not see the extension of tax benefits, which will expire on June 30, said officials.

"We are considering rationalisation of tax expenditure, such as exemption and rebates, to increase revenue collection," a senior official said after a meeting with Finance Minister Abul Hassan

READ MORE ON B3



Deal for second satellite in three months

STAR BUSINESS REPORT

The government will finalise a deal in three months for the construction of the country's second satellite and it will be launched in the next two to three years, said Shahjahan Mahmood, chairman of Bangladesh Satellite Company.

The satellite, Bangabandhu-2, will be an earth observation satellite and be used for various purposes, including monitoring of natural disasters, managing agricultural resources and assessing environmental changes, he said.

He made the comments at a programme organised by Bangladesh Satellite Company at Dhaka Club yesterday marking the sixth anniversary of the launch of Bangabandhu-1, the country's first communication satellite.

Bangabandhu-1 was launched in May 2018 under a Tk 2,765.66 crore project.

Some 40 Bangladeshi and 26 foreign television stations now air programmes using Bangabandhu-1 and the satellite has also started providing television rating point services recently.

In September last year, a letter of intent on cooperation was signed related to Bangabandhu-2 Earth Observation Satellite System between Bangladesh Satellite Company and Airbus Defence and Space SAS of France.

The documents were inked in the presence of Prime Minister Sheikh Hasina and President of France Emmanuel Macron at the Prime Minister's Office in Dhaka.

READ MORE ON B3

Over 70% public projects not completed on time

Says a former official of World Bank citing a report

STAR BUSINESS REPORT

More than 70 percent of all public projects in Bangladesh are not completed on time due to poor management and implementation, according to an expert.

"And due to the time overrun, the contract price increases manifold and it hinders development efforts," said Zafrul Islam, a former lead procurement specialist at the World Bank, citing the latest World Bank report on Bangladesh's public procurement system.

Islam was speaking at a seminar on "Governance and Competitiveness in Public Procurement Practices: Bangladesh context", organised by the International Business Forum of Bangladesh (IBFB) in Dhaka yesterday.

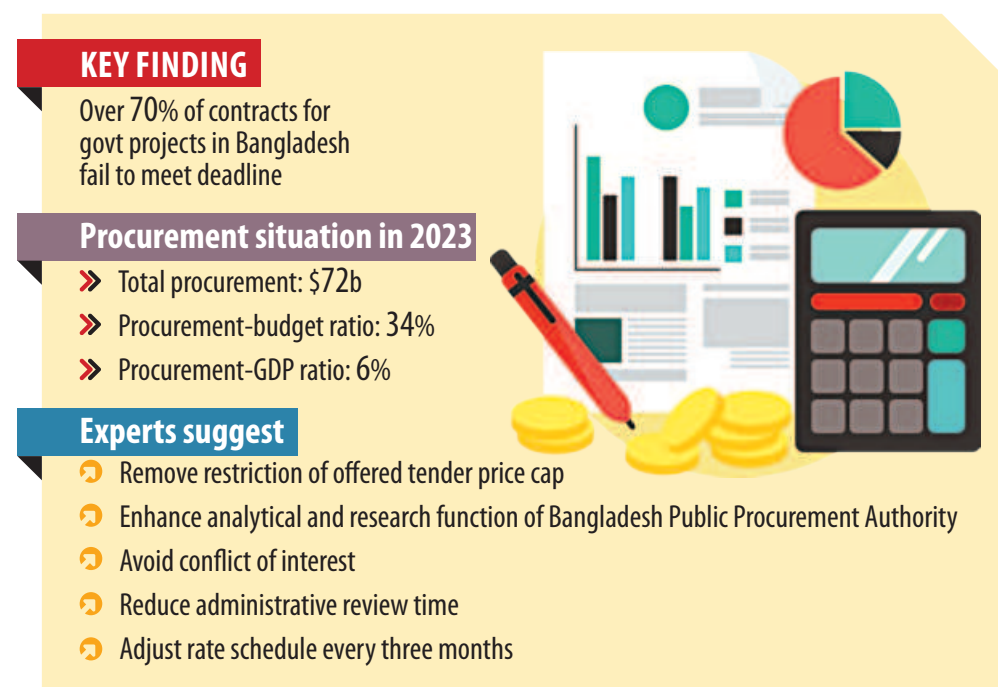
"Time is money is almost a lost concept in Bangladesh's public sector," he added.

Islam also said conflict of interest is a major concern in the local public procurement process.

"It arises out of possible informal or undisclosed relationships between public officials and the contracting or consulting industry," he added.

For example, there are instances where public officials or their family members operate businesses that participate in the procurement process of their assigned project.

As per the World Bank's report on corruption in South Asian countries, almost 71 percent of the firms in Bangladesh are expected to give gifts to get an import licence, 42.5 percent to get a construction permit and



42 percent to get government contracts.

The country's annual procurement cost currently stands at \$27 billion, or 34 percent of its annual budget and 6 percent of its GDP.

Regarding the open tendering method, Islam said the government should remove the offered tender price cap of 10 percent above or below the estimated cost, which is not disclosed in tender documents.

"The use of a price cap has contributed to reducing competition among bidders increasing the volume of single tenders from 20 percent to 50 percent," Islam said.

He also suggested adjusting the rate schedule every three months to reduce discrepancies between the actual price of inputs compared to the contract price.

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Use alternative dispute resolution to reduce NPLs

BB asks banks

STAR BUSINESS REPORT

The Bangladesh Bank (BB) yesterday asked banks to adopt alternative dispute resolution (ADR) to reduce their non-performing loans (NPLs).

The ADR is a process of resolving disputes within the shortest possible time beyond the regular course of business and without a trial.

Common ADR processes include mediation, arbitration, and neutral evaluation. These processes are generally confidential, less formal, and less stressful than traditional court proceedings.

The central bank issued a notice in this regard saying that the Money Loan Court Act 2003 emphasised the importance of ADR for speedy recovery of defaulted loans.

The central bank asked banks to fix a minimum of 1 percent cash recovery target of their defaulted loans by using ADR within June 30, 2026.

The notice reflects a government target to reduce bad loans of state-run banks to 10 percent and that of private commercial banks to 5 percent by 2026 in line with International Monetary Fund's prescriptions centring a \$4.7 billion loan.

At the end of December, bad loans in the banking sector stood at Tk 145,633

READ MORE ON B3

UCB to sell Eastland Insurance's products

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) signed a bancassurance agreement with Eastland Insurance Company Limited yesterday at the bank's corporate office.

As per the agreement, UCB will be able to sell Eastland Insurance's non-life insurance products. This agreement will also help Eastland Insurance Company Limited reach a significant number of customers.

Arif Quadri, managing director & CEO of the bank, and Shahid-E-Monzoor

Morshed, chief executive officer of the non-life insurer, signed the agreement on behalf of their respective organisations.

Among others, ATM Tahmiduzzaman, additional managing director & company secretary of UCB Mohammed Khorshed Alam, deputy managing director, Mohammad Shafiqur Rahman, head of retail business division, and ATM Tajmilar Rahman, chief bancassurance officer were present alongside Md Shariar Siddique and Aminul Islam, deputy managing director of the non-life insurer, and other officials from both organisations.



Arif Quadri, managing director & CEO of United Commercial Bank, and Shahid-E-Monzoor Morshed, chief executive officer of Eastland Insurance Company Limited, sign a bancassurance agreement at the bank's corporate office yesterday. PHOTO: UCB

bKash adds Amex, CityMaxx cards to its 'Add Money' service

STAR BUSINESS DESK

American Express (Amex) and CityMaxx cards have been added to bKash's 'Add Money' service, allowing customers to easily add money to their bKash accounts.

The service was officially launched at the City Bank's head office recently, according to a press release.

Amex customers will get the opportunity to carry out almost all of their daily financial transactions, including sending money, all types of utility bill payments, mobile recharge, paying fees of educational institutions, purchasing tickets, paying various

government fees, donations, paying insurance premiums, etc.

To add money from Amex and CityMaxx cards, customer have to select the 'American Express' icon after tapping on 'Card to bKash' from the Add Money option in the bKash app. After that, the recipient has to select a bKash account number, enter the transaction amount and proceed to the next step.

Customers need to complete the process by providing Amex card details, OTP, and bKash PIN number. Upon completing the process, transaction amount will be transferred to the bKash account instantly.



Ali Ahmed, chief commercial officer of bKash, Kazi Azizur Rahman, additional managing director of City Bank, and Arup Haider, deputy managing director and head of retail banking of City Bank, and other senior officials from both organisations pose for a photo after launching a new service. PHOTO: BKASH

Ispahani brings three flavours of Blender's Choice Premium Green Tea

STAR BUSINESS DESK

Ispahani Tea Ltd unveiled three flavours of Blender's Choice Premium Green Tea to enrich the tea-drinking experience for enthusiasts.

As a premium brand under Ispahani Tea Ltd, the three flavours – Lemon, Ginger and Lemon, and Honey and Lemon – were unveiled in a ceremony at the Renaissance Hotel in the capital's Gulshan recently, according to a press release.

Officials from Ispahani Tea, doctors, nutritionists, athletes, and entertainment personalities were present at the event.

Ispahani also unveiled plans to introduce a wider variety of flavoured teas to cater to diverse tastes in the future.

The new flavours are now available at all superstores and e-commerce platforms. Each package of Blender's Choice Flavoured Premium Green Tea contains 25 tea bags.



Officials from Ispahani Tea unveil three flavours of Blender's Choice Premium Green Tea at the Renaissance hotel in the capital's Gulshan. PHOTO: ISPAHANI TEA LTD

DHL Express partners with WE to drive export growth for SMEs

STAR BUSINESS DESK

DHL Express signed a memorandum of understanding (MOU) with the Women & e-commerce Forum (WE) recently, focusing on bolstering their export capabilities and equipping them with the necessary tools to thrive in the global market.

It was an initiative under the DHL GoTrade programme, one of DHL Group's sustainability programmes dedicated to facilitating export-led growth for small and medium enterprises (SMEs) worldwide.

WE is a community platform that aims to build a support system for female entrepreneurs in Bangladesh to turn their craft into business.

Under the partnership with DHL, the members of WE will benefit from expert-led sessions covering various topics, including



Md Miarul Haque, managing director of DHL Express Bangladesh, and Nasima Akter Nisha, president of the Women & e-commerce Forum, exchange a memorandum of understanding focused on empowering SMEs in Bangladesh. PHOTO: DHL

globalisation strategies, marketing techniques, logistics optimisation, and e-commerce solutions. The partnership symbolizes

the start of a collaborative effort between DHL Express and 'WE' to empower SMEs and drive economic growth in Bangladesh.

SMEs play a crucial role in Bangladesh's economy, contributing nearly 25% of the country's GDP.

"We are thrilled to partner with WE," said Md Miarul Haque, managing director of DHL Express Bangladesh. "This programme underscores our commitment to supporting the growth and success of SMEs and e-commerce in Bangladesh."

"We believe that empowering SMEs is crucial for driving economic development and fostering innovation," said Nasima Akter Nisha, president of WE.

"Through our partnership with DHL Express Bangladesh, we are committed to providing SMEs with the support and guidance they need to succeed globally. Together, we can unlock the full potential of SMEs in Bangladesh and propel the nation towards greater economic prosperity."

National Bank holds board meeting

STAR BUSINESS DESK

National Bank recently organised the 499th meeting of its board of directors, which was the first meeting of newly-formed board, at the bank's head office in Dhaka.

Khalilur Rahman, chairman and sponsor director of the bank, presided over the meeting, the bank said in a press release.

Moazzem Hossain, sponsor

shareholder of the bank, Lieutenant General (ret'd) Md Shafiqur Rahman, Md Reazul Karim, Ershad Mahmud, Ahsanul Karim, and AKM Tafzal Haque, directors, joined the meeting.

Among others, Md Helal Uddin Nizami, Ratna Datta, ABM Zahurul Huda, independent directors, Md Touhidul Alam Khan, managing director and chief executive officer, and deputy managing directors of the bank were also present.



Khalilur Rahman, chairman and sponsor director of National Bank, presides over the 499th meeting of the bank's board of directors at its head office in Dhaka recently. PHOTO: NATIONAL BANK

ICB Asset Management Company hands over 60% interim dividend to ICB

STAR BUSINESS DESK

The Investment Corporation of Bangladesh (ICB) yesterday received a dividend warrant for a 60 percent interim dividend declared by the ICB Asset Management Company.

Mahmuda Akhter, chief executive

officer of the company, handed over the warrant to Prof Suborna Barua, chairman of the ICB, at the latter's office in Dhaka, according to a press release.

Among others, Md Abul Hossain, managing director of ICB, along with other officials of the company and ICB were also present.



Mahmuda Akhter, chief executive officer of ICB Asset Management Company, hands over a dividend warrant to Prof Suborna Barua, chairman of the Investment Corporation of Bangladesh, at the latter's office in Dhaka yesterday. PHOTO: INVESTMENT CORPORATION OF BANGLADESH



Farman R Chowdhury, managing director and CEO of Al-Arafah Islami Bank, inaugurates a Hajj booth at Ashkona Hajj Camp. PHOTO: AL ARAF AH ISLAMI BANK

Al-Arafah Islami Bank opens booth at Ashkona Hajj Camp

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC opened a Hajj Booth to provide services to Hajj pilgrims at Ashkona Hajj Camp on May 9.

The bank will provide pilgrims with free passport endorsement, foreign currency exchange, and various other services from the newly-opened booth.

Farman R Chowdhury, managing director and CEO of the bank, inaugurated the booth as chief guest, according to a press release.

Md Abdullah Al Mamun, deputy managing director, Aktar Kamal, senior executive vice-president, Md Manjur Hasan, executive vice-president, and other senior officials were also present on the occasion.

Pragati Life Insurance holds annual conference

STAR BUSINESS DESK

Pragati Life Insurance Ltd held its annual conference 2023 on May 8 at the Hotel Sea Palace in Cox's Bazar.

Khalilur Rahman, chairman of the company, inaugurated the conference as chief guest while Md Jalalul Azim, CEO, presided over the conference, read a press release.

Among others, Chandra Shekhar Das, additional managing director (F&A), and Md Rafiqul Alam Bhuiyan, Jahangir Hossain and Faruque Mahmud, additional managing directors, were also present.

Officials of the company from different districts attended the conference, where the best performers were awarded.



Pragati Life Insurance Chairman Khalilur Rahman and CEO Md Jalalul Azim attend the company's annual conference, which was held at the Hotel Sea Palace in Cox's Bazar recently. PHOTO: PRAGATI LIFE INSURANCE

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAY 12, 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 ↓	-30.43 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	1.69 ↑	-16.67 ↓
Potato (kg)	Tk 50-Tk 55	10.53 ↑	40.00 ↑
Onion (kg)	Tk 70-Tk 80	25.00 ↑	20.00 ↑
Egg (4 pcs)	Tk 45-Tk 50	15.85 ↑	0

SOURCE: TCB

Sonali, BDBL sign MoU to proceed with merger plan

STAR BUSINESS REPORT

State-owned Sonali Bank and Bangladesh Development Bank PLC (BDBL) signed a memorandum of understanding (MoU) at the Bangladesh Bank yesterday to start merging their operations.

The BDBL got board approval to merge with Sonali Bank last month.

Bangladesh Bank Governor Abdur Rouf Talukder, Sonali Bank Chairman Ziaul Hasan Siddiqui, Managing Director and CEO Md Afzal Karim, BDBL Chairman Shamima Nargis and Managing Director Md Habibur Rahman Gazi were present among others.

Most of them spoke to journalists under the central bank premises after the signing.

Siddiqui said they took the time to scrutinise the MoU thoroughly before signing it.

"We have taken the decision by ourselves and without any influence. We have chosen each other independently. We then approached the Bangladesh Bank governor and informed him that we wanted to merge," he told journalists after the signing.

In 2009, Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha merged to form the BDBL.

The new entity is still creaking under the weight of bad loans. The nonperforming loans (NPLs) of the BDBL



Sonali Bank MD and CEO Md Afzal Karim and Bangladesh Development Bank MD and CEO Md Habibur Rahman Gazi exchange signed documents of an MoU.

stood at Tk 982 crore in December, which accounted for 42.46 percent of the loans it had disbursed.

On the other hand, Sonali had loans of Tk 93,096 crore as of December 2023.

Of the sum, Tk 13,150 crore had turned sour, which was 14.1 percent of the total credit disbursed, BB data showed.

Siddiqui said they considered several issues before signing the MoU.

One of them the considerations was that Sonali Bank as a commercial bank works on short-term lending in the market while BDBL works on long-term

lending. "When we will work together, it will bring huge success for us," Siddiqui said.

Responding to a question on whether the huge amount of the BDBL's NPLs will cause Sonali Bank to suffer, he said they would be able to recover with the combined strength.

"We have a lot of experience in the field. We will be a much better bank after the merger. And there will be more trust from the customers," he said.

BDBL Chairman Nargis said its sole weak point was defaulted loans. She

added that BDBL has no capital shortfall but it was not possible to overcome the challenges regarding the NPL by doing business with only 50 branches.

They have taken the decision to merge with the stronger Sonali Bank so that they can address the challenges, she said.

Sonali Bank managing director Karim said there was no reason for BDBL employees to be concerned about job security.

Sonali Bank has over 18,000 employees while BDBL has only around 650, he said.

As per Sonali Bank's organogram, around 18,500 posts are still vacant in different positions. "So, we will still have a huge shortage of manpower even after the merger with the BDBL," he said.

Decisions have been taken recently in favour of merging five troubled banks with the same number of financially sound lenders through initiatives of the central bank to restore discipline to the banking sector and bring down the total amount of defaulted loans.

In March, Shariah-based Exim Bank agreed to take over crisis-hit Padma Bank.

The decisions to merge BDBL with Sonali Bank and Rajshahi Krishi Unnayan Bank with Bangladesh Krishi Bank came in April.

Afterwards, the news came that BASIC Bank and National Bank would merge with City Bank and United Commercial Bank respectively.

Govt identifies short and long-term plans for leather sector

STAR BUSINESS REPORT

Industries Minister Nurul Majid Mahmud Humayun yesterday said both short-term and long-term action plans have been determined for the overall development of the leather industry.

"Short-term actions have been fixed for the upcoming Eid-ul-Adha and long-term actions have been identified for the overall development of the industry. All kinds of support will be provided for the implementation of tasks along with policy support from the Bangladesh Small and Cottage Industries Corporation (BSCIC) and industries ministry," he said.

The minister made these remarks during the seventh meeting of the "Task Force on Recommendation for Development of Leather Industry and Formulation of Action Plan" at the conference room of the industries ministry in the capital's Motijheel yesterday.

Salman F Rahman, the prime minister's private industry and investment adviser, Ahsanul Islam Titu, state minister for commerce, and Zakia Sultana, senior secretary of the industries ministry, also participated in the meeting.

"We have to increase preservation facilities so that leather does not get spoiled," Humayun said. According to him, steps are also being taken to ensure that leather traders and wholesalers do not face capital shortages and get loans on easy terms.

In this regard, banks, the Financial Institutions Division under the finance ministry, and Bangladesh Bank were directed to take necessary initiatives to ensure loans on easy terms.

The industries minister added that some people donate hides to religious institutions, including orphanages, during Eid-ul-Adha due to religious sentiments.

UK economy exits recession

AFP, London

Britain has emerged from a short-lived recession with better-than-expected growth in the first quarter, official data showed Friday, boosting embattled Prime Minister Rishi Sunak before this year's general election.

Gross domestic product expanded 0.6 percent in the first three months of this year, the Office for National Statistics (ONS) said, with strong growth in services and car manufacturing.

That beat market expectations of 0.4 percent growth and sent London's stock market to a fresh record peak, with sentiment buoyed also by the Bank of England (BoE) on Thursday signalling an interest-rate cut in the summer.

Sunak -- whose governing Conservatives are trailing the main opposition Labour Party in polls

before a general election -- has made growth one of his top priorities.

The economy contracted slightly for two quarters in a row in the second half of 2023, meeting the technical definition of a recession that was caused by elevated inflation that has prolonged a cost-of-living crisis.

"There is no doubt it has been a difficult few years, but today's growth figures are proof that the economy is returning to full health for the first time since the pandemic," said finance minister Jeremy Hunt.

Labour finance spokesperson Rachel Reeves slammed the government's stewardship of the economy.

"From no growth to low growth -- is that really the scale of the Conservatives' ambitions? Food prices are still high, families are paying more on their monthly mortgage bills and working people are worse off," she said.

Richard Carter, head of fixed interest research at wealth manager Quilter Cheviot, said the UK was "clearly entering a more optimistic period".

"The government will be hoping to take advantage of this in the lead up to the general election," he added.

Susannah Streeter, head of money and markets at Hargreaves Lansdown, said that the UK economy "has jugged out of recession" after output shrank 0.3 percent in the final quarter of last year and by 0.1 percent in the prior three months.

She added: "It's clear a corner has been turned, as intense cost-of-living pressures subside, and consumers and companies eye lower borrowing costs on the horizon."

The Bank of England on Thursday left borrowing costs at 5.25 percent, the highest level since the 2008 global financial crisis, hurting borrowers but boosting savers.

Deal for second satellite

FROM PAGE B1

Bangladesh has already signed a memorandum of understanding with France for the second satellite and its launch will help face the challenges of the fourth industrial revolution, Foreign Minister Hasan Mahmud said at the event.

Zunaid Ahmed Palak, state minister for ICT, and Abu Hena Morshed Zaman, secretary to the post, telecommunications and ICT ministry, also spoke.

Use alternative dispute

FROM PAGE B1

crore, accounting for 9 percent of the funds disbursed, BB data showed.

Bad loans held by state banks totalled Tk 65,781 crore, making up 20.99 percent of their outstanding credit.

Defaulted loans of private banks amounted to Tk 70,981 crore, which was 5.93 percent of their outstanding loans.

The distressed assets in the entire banking sector were to the tune of Tk 375,000 crore last year.

These include defaulted loans, rescheduled loans, written off loans, and the credits that were regularised following court orders.

NBR may take host of measures

FROM PAGE B1

Mahmood Ali and State Minister of Finance Waseqa Ayesha Khan at the NBR headquarters yesterday.

"We are considering how to strike a fine balance between ensuring revenue collection without affecting businesses or the economy, which is passing through a turbulent period," the official added.

Insiders said the most important IT sectors are likely to get an extension of tax benefits. The IT

sector has been enjoying tax breaks for the last 22 years.

Besides, in the coming fiscal year, the NBR may announce tax rates for fiscal 2025-26, shifting away from the present practice of announcing tax rates of the outgoing year at the end of the fiscal year.

Also, the revenue authority is considering curtailing the power of tax officials to assess tax returns filed by taxpayers.

They will still be able to audit tax files, the official said.

Apart from that, the revenue authority plans to remove value-added tax (VAT) exemptions on several goods and services to trim the number of items in the exemption list, according to officials.

The tax collector may also cut the list of items on which reduced VAT rates are applied and impose a standard 15 percent VAT to bolster collection.

Banks go slow in raising interest rates

FROM PAGE B1

"We will revise the interest rate after assessing the market."

The private commercial lender plans not to increase the interest rate on industrial, agriculture and SME loans for now, said Rahman.

Some banks are likely to raise the interest rate now, but Rahman expects the cost of funds to come down to the expected level in the upcoming months.

"The central bank will actively monitor the market even though banks are allowed to fix interest rates. As a result, banks will not be able to set the rates at will."

Jamuna Bank Managing Director Mirza Elias Uddin Ahmed said the

maximum lending rate at the private commercial lender is close to 14 percent and the rates will not go up rapidly.

"The lending rate will be fixed on the basis of demand and supply," he said, welcoming the central bank's move.

The CEO said now banks would be able to impose higher interest rates on bad borrowers and lower interest rates on good clients.

"This will encourage good borrowers to repay loans."

Last week, the central bank took three major decisions in line with the International Monetary Fund (IMF) prescription as it announced the market-driven interest rate and a

flexible exchange rate and raised the policy rate to tame higher consumer prices.

Experts criticised the banking regulator, saying the decisions should have been initiated earlier since inflation has stayed above 9 percent for the past 20 months.

They said that the interest rate cap and the subsequent SMART formula made the banking sector volatile.

As per the new exchange rate-setting system known as the crawling peg, banks are permitted to determine the price of the US dollar by considering Tk 117 as the mid-rate.

Yesterday, most banks charged Tk 117.50 per dollar officially while opening LCs.

Uncertain bets: bad stocks rule the roost

FROM PAGE B1

Saiful Islam, president of the DSE Brokers' Association, blamed the lack of governance in the market for the spike of low-performing stocks and the dip in the value of good shares, including multinationals.

He said when underperforming companies climb abnormally, the regulators should step in and try to identify and punish the persons and companies responsible for the unusual

movement. "Not only the Bangladesh Securities and Exchange Commission but also the stock exchanges should monitor the market by ramping up their surveillance capacity."

Islam argued that companies on a growth trajectory can see an upward price movement even when their earnings are low, but these firms are not in any growth phase.

Another reason is the asset management industry has

not thrived in Bangladesh. These companies usually buy sound stocks and make investments for a longer period.

Retained earnings, or reserves, of low-performing companies are low while good companies are sitting on huge reserves, according to Islam of the Brokers' Association.

"When investors see an abnormal price swing, they desert the market. This is exactly what is happening in Bangladesh."

He said young professionals are increasingly losing their interest in the market and will not want to build their careers if the current situation persists.

"When blue-chip stocks bleed, it also disheartens the efforts of bringing good companies to the stock market."

Speaking to The Daily Star, BSEC Spokesperson Mohammad Rezaul Karim said the market price is determined by demand

and supply. "Still, if anyone breaches rules, we will take action."

He admits that the trading of some companies appears to be suspicious, and they are being monitored.

Karim said the stocks with good fundamentals and foreign shareholdings had been stuck at the same price level for a long time due to the floor price. "Some of them are currently witnessing sales pressures."

Over 70% public projects not completed on time

FROM PAGE B1

Regarding corruption in Bangladesh, Islam said that if it can be decreased by even 1 percent, the government would be able to finance the construction of "2,200 kilometres of roads each year".

SM Khorshed Alam, an advisor to the Bangladesh Association of Construction Industry, urged the government to abolish the clause of awarding tenders to the lowest bidder.

He said the capacity of the prospective awardee should be considered instead of the amount they bid.

Rabiul Alam, former president of the Manufacturer's Association for Transformer and Switchgear, urged the government to remove disparities between local and foreign companies when it comes to the benefits awarded to them, such as tax facilities.

MS Siddiqui, vice

president of the IBFB, urged the government to impose uniform tax at all levels, including public imports.

He stressed on the need for competitiveness among bidders to make the procurement process sustainable in the long run.

Mohammed Shoheler Rahman Chowdhury, chief executive officer of the Bangladesh Public Procurement Authority (BPPA), said they want

to bring the entire procurement system under the e-GP system.

He said the BPPA has been identifying challenges of procurement and amending them continually. Rahman also said they will bring down the existing three-step complaint addressing system to one step to make the process simpler.

Md Shahiduzzaman Sarker, the state minister for planning, said

the government has introduced the electronic government procurement (e-GP) system to ensure transparency at the very first level of procurement.

"The e-GP has turned the procurement process around," he said, adding that there is much more to be done in terms of transparency and accountability.

Humayun Rashid, president of the IBFB, delivered the welcome speech at the seminar.

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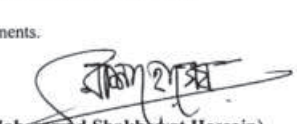
1st Amendment/Corrigendum e-Tender Notice

Corrigendum No: JBPLC/Proc-288/ATM/Re-Tender/2024/Corrigendum-01; Date: 12-05-2024

e-Tender is invited in the National e-GP System Portal (<https://www.eprocure.gov.bd>) for the procurement of following goods:

Tender ID	Invitation Reference No.	Tender Description	Previous Tender Closing/Opening Date & Time	Revised Tender Closing/Opening Date & Time
975523	JBPLC/ICTD-S/Proc-288/OTM/08 Pieces ATM/2024	Re-Tender for Procurement of 08(Eight) Pieces ATM (Supply, Installation & Commissioning) for Janata Bank PLC. following Open Tendering Method.	14/05/2024 03.00 PM	21/05/2024 03.00 PM

This is an online Tender, where only e-Tenders 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 (<https://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the national e-GP portal and e-GP Help Desk (Email: helpdesk@eprocure.gov.bd).
This Notice of corrigendum will be treated as part & parcel of the tender documents.


(Mohammad Shakhawat Hossain)
Deputy General Manager

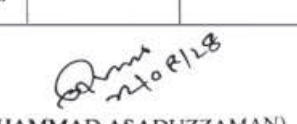
GD- 771

Government of the People's Republic of Bangladesh
Office of the Deputy Director
Govt. Poultry Breeding & Development Farm, Sylhet
Department of Livestock Services (DLS)
Ministry of Fisheries and Livestock
<http://poultryfarm.sylhet.gov.bd>

e-Tender Notice

This is an online tender where only e-tender will be accepted in the national e-GP portal and no hard copy will be accepted. Further information and guidelines are available in the national e-GP portal from e-GP help desk (helpdesk@eprocure.gov.bd).

SL no	Tender ID and Ref. no.	Name of Tender	Last Selling Date and Time	Closing Date and Time
1	983916 33.01.0000.311.07.001.24-105	GR-1 Procurement of Whole Maize, Rice Polish, General Salt, Limestone and Whole Maize Crushing under Government Poultry Breeding and Development Farm, Sylhet.	12-May-2024 12:35	26-May-2024 13:30
2	984126 33.01.0000.311.07.001.24-106	GR-2 Procurement of Soybean Meal, Protein Concentrate, Vitamin Mineral Premix, Multivitamin (WS) and Rice Husk under Government Poultry Breeding and Development Farm, Sylhet.	12-May-2024 12:40	26-May-2024 13:30


(DR. MOHAMMAD ASADUZZAMAN)
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E-mail: dd.gpf.sylhet.gov.bd

GD- 770

Govt launches food systems dashboard

STAR BUSINESS REPORT

The government yesterday launched the Bangladesh Food Systems Dashboard, a repository enriched with accurate information of all food-related indicators, in order to ensure robust and data-driven management of food.

The objective of the dashboard is to digitise all food systems data so that policymakers can make decisions using those data to ensure food and nutrition security, Food Secretary Ismiel Hossain said while inaugurating the dashboard.

The Food Planning and Monitoring Unit of the food ministry, the Bangladesh Bureau of Statistics and the Global Alliance for Improved Nutrition (GAIN) worked together for the development of the dashboard, the food ministry said in a press release.

GAIN supported the process in partnership with the Columbia Climate



The harmful radiation emanating from mobile phone towers in Bangladesh is considerably lower than the standard levels set by international bodies, found BTRC surveys last year. The photo was taken from Barishal city on Saturday.

PHOTO: TITU DAS

The objective of the dashboard is to digitise all food systems data so that policymakers can reach decisions using those data

School, and Food and Agriculture Organisation in collaboration with the Prime Minister's Office, planning and agriculture ministries, International Fund for Agricultural Development, other development partners and academia.

The food secretary also said this will be helpful to ensure availability and accessibility of safe and nutritious food for all Bangladeshis.

Data is critical in making decisions for policy and different elements of food systems, said Rudaba Khondker, country director of GAIN in Bangladesh.

The food systems dashboard is an efficient tool for demonstrating the progress of Bangladesh towards sustainable, equitable and resilient food systems transformation, she added.

The dashboard has the potential to generate positive change in the food systems landscape and advance Bangladesh's national pathway for food systems transformation as well as the sustainable development goals by enabling data-driven decision-making, as per the press release.

BTRC to purchase equipment to measure mobile tower radiation

MAHMUDUL HASAN

The telecom regulator will spend Tk 12 crore to purchase equipment for measuring the levels of radiation emanating from mobile phone towers as it seeks to bolster its capacity to carry out such activities nationwide.

As such, Bangladesh Telecommunication Regulatory Commission (BTRC) has already approved an open tender (international) to this end, according to an official document.

The equipment will measure the towers' electromagnetic field (EMF), a type of non-ionising electromagnetic radiation that does not have enough energy to damage DNA and cannot directly cause cancer.

The EMF carries wireless communication signals for connectivity.

The move follows a previous directive of the High Court requiring the BTRC to examine the possible harmful effects of the EMF on the human body and nature. After that, the BTRC purchased two sets of EMF radiation measurement equipment in November.

But although the existing equipment sets are still effective and being used to conduct surveys, they are inadequate for examining all the towers across the country as per the HC's order, the document shows.

So, the commission will now purchase four sets of broadband EMF radiation measurement systems with the required number of shaped probes to cover a frequency range of 5MGz to 50GHZ.

Additionally, the BTRC will procure two sets of broadband EMF area monitoring devices (basic unit) with necessary flat probes to cover a frequency range of 5MHz to 40GHZ.

One central controlling system for the area monitoring system, with software, will also be purchased.

The harmful radiation emanating from

mobile phone towers in Bangladesh is considerably lower than the safety levels set by international bodies, found BTRC surveys throughout last year.

Besides, there is no harm to the environment, said the surveys carried out in nine cities.

The regulator found that the radiation is 20 to 30 times lower than the international standard across 99 spots in Dhaka, Mymensingh, Jamalpur, Sylhet, Moulvibazar, Rangpur, Gaibandha, Khulna and Jashore.

The move follows a previous directive of the High Court requiring the BTRC to examine the possible harmful effects of the EMF on the human body and nature

For instance, 0.01453 milliwatts per square meter (mW/m²) was recorded when measurements were taken at the Khulna district administration office from August 22 to August 25.

The permissible threshold for exposure to EMF is 2.106 mW/m², according to guidelines set by the International Commission on Non-Ionising Radiation Protection, International Telecommunication Union and World Health Organization.

Therefore, the current level of radiation poses no threat to either public health or the environment, the BTRC said in its survey reports released at different times.

Cellular phones communicate with nearby cell towers mainly through radiofrequency waves, a form of energy in the electromagnetic spectrum between FM radio waves and microwaves, according to the American Cancer Society.

Like FM radio waves, microwaves, visible light and heat, they are forms of non-ionizing radiation.

This means they do not directly damage DNA, which is how stronger (ionizing) types of radiation such as x-rays, gamma rays, and ultraviolet rays are thought to be able to cause cancer, it said in its website.

One of the few known effects of radio waves on the human body is a very small rise in temperature of up to 0.2 degree Celsius. But research is continuing to make sure that there are no potential long-term effects.

Earlier, Satya Prasad Majumder, vice-chancellor of the Bangladesh University of Engineering and Technology, told The Daily Star that the degree of radiation a tower emits would not cause any problem.

"You can't read without light and similarly too much light would harm the eye. A minimum level of radiation is given off the antenna and is designed taking all safety concerns into account so that people can talk on phones without facing any problem from that," he said.

"People who are concerned about it don't know anything about it. They got panicked when the world introduced 1G or 2G and are still in panic but the world is poised to introduce 6G. If they were right, technology would not have advanced," Majumder added.

According to telecom industry people, baseless fears surrounding the health risks associated with radio waves emitted by phone masts have emerged as a significant obstacle to the advancement of superior telecom services, hindering the efforts of telecom and tower service providers.

For example, building owners, particularly in Dhaka and other metropolitan areas, are reluctant to lease out their rooftops to telecom service providers in fear of radiation.

Gold prices rise again

STAR BUSINESS REPORT

Jewellers have hiked gold prices by Tk 1,831 per bhoiri (11,664 grammes) to Tk 117,281.

One gramme of 22 carat gold will be priced at Tk 10,055, effective from yesterday as per a statement of Bangladesh Jewellers Samity (Bajus).

The committee on pricing and price monitoring of Bajus took the decision to raise the prices in a meeting yesterday, citing an increase in pure gold prices in the local market.

Gold prices have been rising for more than a year influenced by hikes in the international market and volatility in its supply in the domestic market.

On March 19, Bajus cut gold prices to Tk 111,158 from Tk 112,907 per bhoiri.

Although Bangladesh does not import a substantial quantity of gold, its prices are almost linked with international trends.

Figures are hard to come by and the annual demand for gold in Bangladesh is believed to be anywhere from 20 tonnes to 40 tonnes.

SBAC Bank's profit up 41% in first quarter

STAR BUSINESS REPORT

SBAC Bank PLC's profit surged 41 percent year-on-year to Tk 19.78 crore in the first quarter of 2024.

The profit was Tk 14.01 crore in the identical period of 2023.

The commercial private lender's consolidated earnings per share (EPS) were Tk 0.24 in January-March, up from Tk 0.17 a year prior, according to a filing on the Dhaka Stock Exchange.

SBAC attributed the increase in the EPS to an increase in net interest income, whereas its provision requirement declined.

While the profit went up, the bank's net operating cash flow per share dived to Tk 1.72 in negative from Tk 0.43 in the negative, according to the unaudited financial statements.

The bank said the NOCFPS decreased due to rising outflows of loans, deposits and a decrease in net proceedings from trading securities.

SBAC Bank began its journey in 2013 and currently provides both conventional and Shariah-compliant banking services. It was listed on the DSE in 2021.

The bank has a network of 89 branches, 31 sub-branches, 63 ATMs, 10 Islamic banking windows, and 33 agent outlets. Shares of the bank were unchanged at Tk 7.7 yesterday.

Renata ships first drug registered in Australia

STAR BUSINESS REPORT

Renata has shipped a consignment of Levonorgestrel 1.5 mg, which is the first product registered by the Bangladeshi pharmaceutical company in Australia.

The distribution and commercialisation of Levonorgestrel, known by its brand name of Novella-1, will be done in Australia through Renata's partner Nova Pharmaceuticals Australasia Pty Ltd, according to a statement issued by Renata PLC yesterday.

Levonorgestrel is approved by World Health Organization, amongst other regulatory authority bodies such as the US FDA and Therapeutic Goods Administration (TGA), as a first line oral emergency contraceptive pill.

Being a potent product, it is manufactured and supplied from Renata's TGA approved potent product facility, the statement read.

Chinese firms win bids to explore Iraq oil and gas fields

REUTERS, Baghdad

Chinese companies won bids to explore five Iraqi oil and gas fields on Saturday in a licensing round for hydrocarbon exploration that was primarily aimed at ramping up gas production for domestic use.

An Iraqi Kurdish company also took two of the 29 projects up for grabs in the three-day licensing round across central, southern and western Iraq, which for the first time includes an offshore exploration block in the country's Arab Gulf waters.

Iraq aims to lure billions of dollars of investments to develop its oil and gas sector as it looks to ramp up local petrochemicals production and end imports of gas from neighbouring Iran that are currently key to producing power.

More than 20 companies pre-qualified for the licensing round, including European, Chinese, Arab and Iraqi groups. There were notably no US oil majors involved, even after Iraqi Prime Minister Mohammed Shia met with representatives of US oil firms during an official visit to the United States last month.

Five bids were won on Saturday by Chinese companies.

Zhongman Petroleum and Natural Gas Group took the northern extension of the Eastern Baghdad field, in Baghdad, and the Middle Euphrates field that straddles the southern Najaf and Karbala provinces, the oil ministry said.

China's United Energy Group Ltd won a bid to develop the Al-Faw field in southern Basra, while ZhenHua won a bid to develop Iraq's Qurnain field in the Iraqi-Saudi border region and Geo-Jade won a bid to develop Iraq's Zurbatiya field in the Wasit.

US consumer sentiment at six-month low; inflation expectations rise

REUTERS, Washington

US consumer sentiment sagged to a six-month low in May as households worried about the higher cost of living and unemployment, but economists cautioned against drawing conclusions on the implications for the economic outlook.

The larger-than-expected drop in sentiment reported by the University of Michigan on Friday was across all age, income and education groups as well political party affiliation.

"Consumer confidence is volatile on a month-to-month basis and has not been an important driver of consumer spending in recent years," said Michael Pearce, deputy chief US economist at Oxford Economics.

"The resilience of consumer spending is dependent on the strong state of household balance sheets and the robust labour market. Only if the latter begins to falter would we expect to see more meaningful signs of economic weakness emerge."

The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 67.4 this month, the lowest level since last November, compared to a final reading

of 77.2 in April. Economists polled by Reuters had forecast a preliminary reading of 76.0.

They estimated that the University of Michigan's ongoing transition to web-

based interviews from telephone surveys had knocked about 2 points off the headline index this month.

Economic growth slowed in the first quarter and employers hired the fewest

number of workers in six months in April, recent data showed. University of Michigan Surveys of Consumers Director Joanne Hsu said consumers "expressed worries that inflation, unemployment and interest rates may all be moving in an unfavourable direction in the year ahead."

With gasoline prices pretty much stable in recent weeks and stock market prices mostly trending higher, economists were at a loss to explain the rest of the drop in sentiment.

"It is hard to explain given that there is little evidence of any major downturn in the labour market. Households could also still be reacting to the earlier selloff in equities around mid-April," said Paul Ashworth, chief North America economist at Capital Economics.

"It could also be due to other non-economic factors like the upcoming election, the brief Israel-Iran conflict or the spread of pro-Palestinian protests across college campuses. It might simply be noise rather than signal."

The mood was downbeat among Democrats, independents and Republicans.

Stocks on Wall Street were mixed. The dollar rose against a basket of currencies. US Treasury prices fell.



PHOTO: AFP/FILE

People shop in the food section of a retail store in Rosemead, California. Consumer confidence in the US is volatile on a month-to-month basis and has not been an important driver of consumer spending in recent years, said an economist.