

Govt's overreliance on banks will create disorder in financial sector

Experts say in post-budget discussion at Dhaka University

STAR BUSINESS REPORT

The government's overdependence on the banking sector to finance its budget deficit will affect the financial sector as well as hurt private sector investment and employment generation, according to experts.

"Again, like every year, the government's overdependence on the banking sector to finance the budget deficit will create chaos in the financial sector," said M Abu Yusuf, director of the Centre on Budget and Policy at the University of Dhaka.

The centre organised the event on the campus premises.

While presenting a keynote paper, titled "Review of Proposed Budget 2024-25: Macroeconomic Reintegration, Education and Employment", he said the deficit in this year's budget stood at Tk 256,000 crore, which is 4.6 percent of the GDP.

To finance the budget deficit, the government has set a domestic loan target of Tk 160,900 crore, of which Tk 127,200 crore will come from the banking sector, he said.

However, if the budget deficit is financed by money collected from savings certificates or pension schemes, it will provide financial security to the middle class and provide safe credit facilities for the government, Yusuf added.

Although inflation is above 9 percent, food inflation is about 15 percent to 18 percent, he said.

"Reducing the double-digit inflation rate will be the biggest challenge for the government. It is having a direct impact on people's lives and causing social and political instability."

Yusuf added that some more measures could have been taken to tackle inflation.

The social and financial impact of

inflation could have been controlled by reducing the size of the budget and lowering the value-added tax (VAT) and import duties on various commodities as an emergency measure, he said.

Moreover, the income tax ceiling could have been increased to give some relief to people from lower and middle-income backgrounds.

He added that 14 percent of the budget would be spent on interest payments, almost equal to the total allocations for the education and health sectors.

"This is a matter of concern for us as our reserves have dwindled a lot," he observed.

Former planning minister MA Mannan, Dhaka University Vice-Chancellor Prof ASM Maksud Kamal, and Research and Policy Integration for Development Chairman MA Razzaque were among others who spoke at the event.

Budget missing reform guidelines for 'Smart Bangladesh'

Says International Business Forum of Bangladesh

STAR BUSINESS REPORT

The proposed national budget for fiscal year 2024-25 does not contain any guideline on the many anticipated reforms for the realisation of the "Smart Bangladesh" vision, said the International Business Forum of Bangladesh (IBFB) yesterday.

"The country's economy is going through a transitional period. That's why reforms are needed for the sake of the country and businesses," said the research and advocacy platform.

At a media briefing on its premises in the capital over its analysis of the budget, the IBFB said the inflation target was set at 6.5 percent but just last month it stood at 9.89 percent.

"We see that reining in inflation to attain the target will be a huge challenge. Rising inflation must be reined in. If not, common people will suffer even more,"

said IBFB President Humayun Rashid.

Excessive government borrowing from the banking system was hindering the flow of credit to the private sector, which may adversely affect investment and employment, he said. The budget deficit stands at Tk 2,56,000 crore, which is 4.6 percent of the GDP. However, it is 5.2 percent in the current fiscal year, he said.

To meet the upcoming fiscal year's deficit, the government will have to secure Tk 1,60,900 crore from internal sources. Out of this, Tk 1,37,500 crore should be availed from the banking system, he added.

To meet the budget deficit, the management units of banks also need to reduce non-performing loans, he added.

Rashid said instead of depending on the local banking system, attention can be paid to cautiously securing financing from foreign sources at the lowest possible interest rates.



Wishva Wickramarachchi, chief financial officer of Alliance Finance, and Md Samit Bin Salam, proprietor of Kiva Han, pose for photographs after signing a memorandum of understanding at the former's head office in the capital's Gulshan recently.

PHOTO: ALLIANCE FINANCE

Alliance Finance, Kiva Han sign deal on service benefits

STAR BUSINESS DESK

Alliance Finance recently signed a memorandum of understanding (MoU) with Kiva Han, a renowned café in Bangladesh.

Wishva Wickramarachchi, chief financial officer of the non-bank financial institution, and Md Samit Bin Salam, proprietor of the cafe, penned the MoU

at the former's head office in the capital's Gulshan, according to a press release.

Under this arrangement, customers and co-branded cardholders of Alliance Finance can avail special benefits at Kiva Han outlets.

Kiva Han Group operates in the retail segment through several brands, including Kiva Han, Bao, Smith's Caffè Regalo and Shack.

মসজিদ পাঠাগার সম্প্রসারণ ও শক্তিশালীকরণ প্রকল্প (৩য় পর্যায়)

ইসলামিক ফাউন্ডেশন

[প্রতিষ্ঠাতা: জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমান]

সিরাজগঞ্জ জেলা কার্যালয়

জেলা মডেল মসজিদ ও ইসলামিক সাংস্কৃতিক কেন্দ্র, সিরাজগঞ্জ

Email: islamicfsrj@gmail.com

স্মারক নম্বর: ১৬.০১.৮৮০০.০২২.০৭.০২.১৬.৬১৬(২) তারিখ: ১০ জুন ২০২৪খ্রিঃ

সংশোধিত উন্মুক্ত দরপত্র বিজ্ঞপ্তি

এতদ্বারা সর্বসাধারণের অবগতির জন্য জানানো যাচ্ছে যে, ইসলামিক ফাউন্ডেশন জেলা কার্যালয় সিরাজগঞ্জ এর স্মারক নম্বরঃ ১৬.০১.৮৮০০.০২২.০৭.০২.১৬.৫৯৬(৪), তারিখঃ ০২ জুন ২০২৪ মোতাবেক আহবানকৃত উন্মুক্ত দরপত্র বিজ্ঞপ্তি নিম্নরূপে সংশোধন করা হলো

ক্রম	বিবরণ	পূর্বের তারিখ	সংশোধিত তারিখ
০৬	দরপত্র বিক্রয়ের শেষ তারিখ ও সময়	১২/০৬/২০২৪ তারিখ, অফিস চলাকালীন সময়	১৯/০৬/২০২৪ তারিখ, অফিস চলাকালীন সময়
০৭	দরপত্র গ্রহণের তারিখ ও সময়	১৩/০৬/২০২৪ তারিখ, বেলা ১২:০০ ঘটিকা পর্যন্ত	২০/০৬/২০২৪ তারিখ, বেলা ১২:০০ ঘটিকা পর্যন্ত
০৮	দরপত্র খোলার তারিখ ও সময়	১৩/০৬/২০২৪ তারিখ, বেলা ১২:৩০ ঘটিকায়, দরপত্রদাতাদের উপস্থিতিতে (যদি কেহ উপস্থিত থাকেন)	২০/০৬/২০২৪ তারিখ, বেলা ১২:৩০ ঘটিকায়, দরপত্রদাতাদের উপস্থিতিতে (যদি কেহ উপস্থিত থাকেন)

দরপত্রের অন্যান্য শর্তাবলী অপরিবর্তিত থাকবে।

১১/৬/২৪

মোহাম্মদ ফারুক আহমেদ
উপপরিচালক

ইসলামিক ফাউন্ডেশন সিরাজগঞ্জ

GD-986

স্বাক্ষরিত
প্রজাতি
Bangladesh

Dhaka North City Corporation
Office of the Executive Engineer
Zone-3
45, Mohakhali, Dhaka.

Memo No: 46.10.0000.091.07.12.2024

E-Tender Notice

E-Tender is invited to the National e-GP portal (<http://www.eprocure.gov.bd>) for the procurement of

SL No.	Tender ID & Ref No.	Name of work	Method of Procurement	Tender Closing Date & time
1	993679, 46.10.0000.091.14.43(3). 24, Date:05/03/2024	Emergency repair and maintenance works of damaged roads, drain, cross drain, manhole cover, footpath, median, grill and other infrastructure under frame work contract of engineering department, zone-03 DNCC for the fiscal year 2023-2024 (Group-Ka).	NCT, OTM	26-Jun-2024 15:00:00
2	993680, 46.10.0000.091.14.43/1(3). 24, Date:05/03/2024	Emergency repair and maintenance works of damaged roads, drain, cross drain, manhole cover, footpath, median, grill and other infrastructure under frame work contract of engineering department, zone-03 DNCC for the fiscal year 2023-2024 (Group-Kha).	NCT, OTM	26-Jun-2024 15:00:00

This is an online tender, where only e-Tender will be accepted in the National e-GP System portal and no offline/hard copies will be accepted. To submit an e-Tender, registration in the National e-GP system portal (<http://www.eprocure.gov.bd>) is required. The Fees for downloading the e-Tender Documents from the National e-GP system Portal have to be deposited online through any registered Bank's Branches up to date. Further information and guidelines are available in the National e-GP System Portal and e-GP help desk (helpesk@eprocure.gov.bd)

Saifuddin
(Md. Saifuddin Manik)
Executive Engineer
Zone-3
Dhaka North City Corporation, Dhaka

GD- 985

Stock indices at nearly 4-year low

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"Many investors are becoming impoverished while many intermediaries are becoming sick due to the prolonged bear-run," he said.

The government currently charges Tk 0.05 on every Tk 100 worth of turnover, which is much higher compared to the rates in neighbouring countries, Islam said while urging to reduce it to Tk 0.02.

He also said the budget should have a roadmap on listing state-owned enterprises as it would boost investor confidence.

Investors are currently leaving the market due to a lack of confidence, he added.

Pointing to the example of a leading brokerage house, the DBA president said it once used to open 24 to 25 beneficiary owner accounts every day. Now though, it could open just 25 beneficiary owner accounts in the past five-and-a-half months.

"Investors are the heart

of the capital market, so how will the market stay alive if they leave?" he asked.

Answering a question on whether the market will bounce back thanks to the tax measures, Islam said the market suffers mainly due to a lack of good companies, lack of transparency in listed companies and low capability of institutional investors.

"The investor culture is not up to the mark as most of them run behind short-term profits," he added.

Regarding the activities of the DSE, Islam said the stock exchange has two mandates after demutualization -- one is making it profitable and the second is regulating the market as a primary regulator.

"As a shareholder of the DSE, I can say that its performance is not up to the mark," he added.

Islam also pointed out that the bourse has been missing a chief technology officer for a year while its

chief operating officer post has been vacant for months.

"The DSE chairman acknowledged they are not adequately empowered to regulate the market," he said.

And although the independent directors are well established in their other engagements, they could not bring any positive change for the market and its investors, he said.

"So, time has come to review the demutualization act," Islam added.

The DSES, the index that represents Shariah-compliant companies, slipped 0.89 percent to 1,093.78 points while the DS30, which comprises the best blue-chip stocks, shed 0.48 percent to hit 1,803.06 points.

Turnover of the DSE, which is the total value of shares which changed hands on the day, rose 35 percent to Tk 431 crore.

Among the shares to undergo trade, 51 advanced, 308 declined and 35 remained unchanged.

WB retains Bangladesh's growth forecast

FROM PAGE B1

power of households, and weighed on private consumption," the WB said.

"Additionally, higher borrowing costs have weighed on demand. High levels of non-performing loans in the banking sector dampened investor confidence."

In March, default loans in the banking sector hit an all-time high of Tk 182,295 crore.

Among the South Asian nations, the multilateral lender raised its growth outlook for India, Bhutan, and Sri Lanka and lowered projections for Nepal, Pakistan and the Maldives.

It now expects the world economy to grow by 2.6 percent this year, up 0.2 percentage points from its last update in January.

"Despite an improvement in near-

term prospects, the global outlook remains subdued by historical standards," the lender said.

In FY25, growth is set to underperform its 2010s average in nearly 60 percent of economies, comprising over 80 percent of the global population. Downside risks predominate, including geopolitical tensions, trade fragmentation, higher-for-longer interest rates, and climate-related disasters.

Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies will likely remain cautious in easing monetary policy, the WB said.

"As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average."

Gifts not sweet

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channels as gifts, according to a senior official of the NBR.

All beneficiaries of gifts will be subject to taxes under the proposed finance bill. This means that in addition to the recipient having to pay income tax at the standard rate, the person giving the gift will also have to pay taxes.

"This move will definitely help increase the transparency of transactions," said

Snehasish Barua, a chartered accountant and a director of SMAC Advisory Services Ltd, a consultancy firm.

Deen Islam, an associate professor of economics at the University of Dhaka, also welcomed the move.

"This will contribute to domestic resource mobilisation and increase the contribution of direct taxation, which may help tackle rising inequality in the country," he said.

"Additionally, it could discourage tax avoidance and use of money for unproductive purposes."

So, it will be efficient to apply this tax if the amount is tax eligible, he said. However, to avoid double taxation, this should only be imposed on either the gift receiver or the giver, but not both.

Oil price steady

REUTERS, London

Oil prices were largely steady on Tuesday, as investors waited for US and China inflation data and the outcome of the Federal Reserve's policy meeting to see how changing prices could hit demand.

Brent crude futures fell 14 cents, or 0.2 percent, to \$81.49 per barrel by 1121 GMT, easing after a recovery from a close of \$77.52 a week earlier. That close, the lowest since February, came as investors fretted about oversupply and low demand through the rest of 2024.

ER
Eastern Refinery Limited
(A Subsidiary of Bangladesh Petroleum Corporation)
North Patenga, Chattogram-4204, Bangladesh
(www.erl.com.bd)

Invitation for Tender (International) for Procurement of Foam Tender Fire Fighting Vehicle for ERL

1	Ministry/Division	Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources
2	Agency	Eastern Refinery Limited (ERL), Chattogram
3	Procuring entity name	Bangladesh Petroleum Corporation (BPC)
4	Invitation for	Goods and related services
5	Invitation Ref. No.	28.25.0000.021.20.035.24.1
KEY INFORMATION		
6	Procurement method	International Tender "One stage two envelope (Technical and Commercial)"
FUNDING INFORMATION		
7	Budget and source of funds	Bangladesh Petroleum Corporation (BPC)
PARTICULAR INFORMATION		
8	Tender Package No.	ER/F&S/T-01/2023-24
9	Tender package name	Procurement of a Foam Tender Fire Fighting Vehicle for Eastern Refinery Limited (ERL).
10	Tender publication date	12/06/2024
11	Tender last selling date	05/08/2024
12	Tender closing date and time	06/08/2024 BST 1500 hrs
13	Tender opening date and time	06/08/2024 BST 1515 hrs
14	Name & address of the office(s)	Address
- Selling tender document (principal)		Manager (Material Accounts), Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh. Phone: 02 3333 01261-7, 02 3333 01269
- Selling tender document (others)		ERL Liaison Office, 1/1, Pioneer Road, YMCA Building (2nd Floor), Kakrail, Dhaka-1000, Bangladesh. Phone: 02 8391991, 02 8391990
- Receiving tender document		Board Room, Bangladesh Petroleum Corporation, BSC Bhaban, Saltgola Road, Chattogram-4100, Bangladesh.
- Opening tender document		Board Room, Bangladesh Petroleum Corporation, BSC Bhaban, Saltgola Road, Chattogram-4100, Bangladesh.
INFORMATION FOR TENDERER		
15	Eligibility of tenderer	Experienced in supplying foam tender fire fighting vehicle in line with tender documents.
16	Brief description of goods or works	Supply of a Foam Tender Fire Fighting Vehicle with all accessories mandatory chemicals and consumables for initial operation.
17	Price of tender document (Tk)	BDT 1000.00 (one thousand Taka only)
Lot		Identification of lot
Single		ER/F&S/ T-01/2023-24
Location		Chattogram
Tender security amount		BDT 9,00,000.00 (nine lac Taka only) in terms of bank guarantee.
Completion time		09 months
PURCHASER DETAILS		
18	Name of official inviting tender	Md. Rafikul Islam
19	Designation of official inviting tender	Assistant General Manager (Training/Fire & Safety)
20	Address of official inviting tender	Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.
21	Contact details of official inviting tender	02 3333 01261-7/ Ext. 290 +8801716361139 agmtrainingerl@gmail.com
22	The procuring entity reserves the right to accept or reject any or all tenders at any time or stage without assigning any reason whatever and no claim will be entertained in this regard.	

GD-983