

Govt to import 50,000 tonnes of rice from India

STAR BUSINESS REPORT

The interim government will import another 50,000 tonnes of rice from India to increase the country's food stocks.

Finance Adviser Salehuddin Ahmed approved a proposal in this regard at a meeting of a government advisory committee on purchase at Bangladesh Secretariat yesterday.

The food ministry would import the rice through SAEL Agri Commodities Ltd, India at a cost of \$471.6 per tonne.

Earlier, on November 6, the committee had approved the import of 50,000 tonnes of rice through Indian enterprise Pattabhi Agro Foods Private Limited at \$477 per tonne.

According to the food ministry data, the country had a stock of 12.36 lakh tonnes of food grains as of November 20, of which 8.08 lakh tonnes were rice.

The government undertook the move to address the depletion of stocks as food distribution programmes were running in full swing to meet demand amidst high inflation.

Overall, the government plans to initially import a total of 5 lakh tonnes of rice for this fiscal year of 2024-25 through government-to-government arrangements and open tenders, according to a food ministry official.

The amount of import may rise if prices in the market increase, he added.

The government plans to distribute 20.52 lakh tonnes of food grains through various channels in the current fiscal year of 2024-25.

Of it, 8 lakh tonnes of rice will be collected from the local market during the ongoing Aman season. A higher amount will be sourced during the Boro season early next year.

Up until November 14, the food ministry distributed 9.32 lakh tonnes of rice.

Yesterday, the government also approved separate proposals for the purchase of two



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PHOTO: STAR/FILE

cargoes of liquefied natural gas (LNG) and 2.30 lakh tonnes of fertiliser in a bid to meet growing demand in the country.

Each cargo is equivalent to 33.60 lakh MMBtu (million British thermal units).

Petrobangla has settled on procuring the LNG from Vitol Asia Pte Ltd in Singapore on floating an international quotation. One cargo will cost \$14.55 per MMBtu and the other \$14.42 per MMBtu.

Bangladesh Agricultural Development Corporation would procure 110,000 tonnes of Muriate of Potassium fertiliser from Russia and Canada. Of it, 30,000 tonnes will be bought from Russian JSC Foreign Economic

Corporation "Prodintorg" under a state-level agreement at a cost of \$289.75 per tonne.

Similarly, the remaining 80,000 tonnes will be bought from Canadian Commercial Corporation under two state-level agreements at \$289.75 per tonne.

Bangladesh Chemical Industries Corporation would procure another 90,000 tonnes of granular urea fertiliser and 30,000 tonnes of prilled urea fertiliser, both in bulk.

The meeting also approved a proposal for appointing e-Learning and Earning Ltd, Dhaka as the training firm with around Tk 297.16 crore for imparting training on freelancing for some 28,800 youths under a project.

Address policy challenges for more UK trade: HSBC study

STAR BUSINESS REPORT

Bangladesh faces challenges related to regulatory and policy environments, including complex tariffs, intellectual property protection and inadequate logistics infrastructure, which are bottlenecks to diversifying exports to the UK, according to an HSBC study.

Addressing these issues through policy reforms and capacity building is essential for improving trade efficiency and competitiveness, it said.

The study, styled "Navigating New Opportunities for UK and Bangladesh", was made public by The Hongkong and Shanghai Banking Corporation Limited (HSBC) Bangladesh through a programme at The Westin Dhaka on Wednesday.

Bangladesh is among the UK's largest trading partners in South Asia, and the UK is a major export destination for Bangladesh, said the associated report.

Bangladesh consistently maintains a trade surplus with the UK, with the UK being its third-largest export market in fiscal year (FY) 2022-23.

The growth rate for exports from Bangladesh to the UK stood at 6.23 percent from FY19 to FY23, it said.

According to the report, the UK provides duty-free export facilities to Bangladesh under the least developed country (LDC) category of the United Nations.

Initiated in November 2023, the study explored strategies to enhance the bilateral trade, focusing on optimising existing agreements, addressing challenges, and identifying new opportunities to strengthen economic ties as Bangladesh transitions from LDC status by 2026.

More than 240 UK businesses, ranging from textiles and banking to education, hold key investments in Bangladesh, the report said.

The study recommended diversifying Bangladesh's exports beyond garments to include pharmaceuticals, leather goods, jute products, and agro-processed goods.

The UK's Developing Countries Trading Scheme (DCTS) is essential for deeper integration with global supply chains, it said. Besides, this would ensure that Bangladesh retains preferential access to the UK market post-LDC graduation, it added.

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The report also underscored the necessity for infrastructural development in ports, logistics and digital systems.

Aligning regulatory frameworks and fostering skill development through partnerships are also vital, it said.

The UK has opportunities to increase exports to Bangladesh in sectors like machinery and equipment, IT services, renewable energy, healthcare and higher education.

Lutley Siddiqi, special envoy on international affairs to the chief adviser of the interim government, Sarah Cooke, British high commissioner to Bangladesh, and Dan Pasha, director of trade and investment at the British High Commission, were present.

Can Islami Bank raise Tk 20,000cr

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It also remains unclear whether foreign investors would be willing to return after witnessing a lack of good governance first-hand.

In 2017, S Alam Group took control of Islami Bank, allegedly with assistance from government agencies.

After the takeover, the health of the bank, once the most profitable private lender in the country, deteriorated severely.

By early September this year, S Alam Group, whose founder weaponised his close political ties to the ousted Awami League regime, accounted for more than half of the total loans disbursed by Islami Bank of Tk 174,000 crore.

Following the takeover, many foreign investors gradually sold their shares, leading to a significant decline in foreign ownership.

By October 2023, foreign holdings had dropped to 8.26 percent, down from 70 percent prior to the takeover.

Multilateral development finance institution Islamic Development Bank (IDB), Al Rajhi Co, Saudi-based company Arabas Travel and Tourist Agency, and Saudi Arabian citizens Yousuf Abdullah Al-Rajhi and Abdullah Abdul Aziz Al-Rajhi sold their entire stakes last year

and left the board.

Another problem with issuing new shares that Khan pointed out is a lack of depth in the stock market, which means it may be unable to provide an amount as large as Tk 10,000 crore.

Regarding share issuance and sales, Asif Khan, chairman of EDGE Asset Management, said there were two questions: a technical matter and the issue of valuation.

"Technically, Islami Bank can raise new capital. However, the process of selling S Alam's shares and using the proceeds to adjust defaulted loans may be more complex," he said.

"Regarding the valuation, we don't know what valuation investors are willing to meet until they go to investors.

"The expected valuation looks high. It can only be achieved if investors take other factors like relationship and strategic impact into consideration in addition to pure financial analysis," he added.

Saiful Islam, president of the DSE Brokers Association of Bangladesh, said it may prove difficult to sell new shares to general investors given the state of the stock market, which has stagnated.

Over the past 14 years, the market

has been unable to muster enough strength to cross its previous highest position, which it recorded in 2010 after soaring to 8,918 points.

"So, the bank should find a strategic buyer, someone who will buy the share at a pre-negotiated price," he said.

The share issuance is likely to hurt its earnings per share, but Islam added: "The issue now should not be earnings per share, but sustainability."

He added that it is clear from the statement of the bank's chairman that his intentions are good, but said it was now time to provide a clear picture to existing shareholders.

He also recommended reducing lending and issuing bonds. At the same time, he advised to increase deposits by capitalising on the bank's previous goodwill.

Last week, the bank got approval from the BSEC to raise Tk 500 crore by issuing a subordinated bond.

But Khan said the size of this bond pales in comparison to the bank's size. He suggested the bank issue more bonds, including some perpetual bonds. Islami Bank Chairman Md Obayed Ullah Al Masud did not receive phone calls or reply to messages seeking comment.

Moody's ratings don't reflect

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The banking regulator added that the primary goal of this inclusive approach is to avoid any missteps in reform measures.

The government is committed to prioritising and implementing reforms to lay a solid foundation to enhance the country's long-term sustainable growth, it said.

"While these activities may not yield immediate economic benefits, they are paving a clear path toward strong economic recovery and social progress."

It said the interim government inherited significant challenges on the macroeconomic front, characterised by large imbalances in the balance of payments, rapidly declining foreign exchange reserves and sharp depreciation of the local currency against the US dollar.

The inflation rate also accelerated, causing hardships for citizens, it said, adding that notable success has been achieved in stabilising the external sector indicators.

Since August 2024, the exchange rate has remained stable at around Tk 120 per dollar, supported by an ongoing surge in remittances and export earnings.

"During the first four months of the fiscal year, the external current account has improved from a large deficit to a virtual balance, the financial account also strengthened from a net position of large outflows to a net position of sizable inflows, and the overall balance improved by more than one billion dollars."

The central bank has also refrained from selling dollars, and foreign exchange reserves have stabilised at around \$19 billion (based

on the BPM6 method) during this period, it said.

"It also requires special mention that the outstanding payments arrears of \$2.5 billion as of mid-August -- accumulated over the last two years by the previous government -- have been reduced to about \$450 million."

These positive outcomes indicate that external sector vulnerabilities have been addressed, and further improvements are expected with continued strong remittance inflows and sustained export earnings, backed by BB's prudent policies, the central bank said.

The central bank also highlighted other major initiatives.

Speaking of inflation, the BB said that controlling price hikes remains a top priority for policymakers.

READ THE FULL STORY ONLINE

Fruit pulp juice

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benefit rural farmers and entrepreneurs, according to experts.

Apart from that, this new incentive is expected to encourage the use of local produce in value added products for export.

Although Bangladesh is an agricultural country, its agricultural product exports grew at a slower pace compared to overall exports over the past decade due to a lack of policy support, high costs and the absence of good agricultural practices.

Exports of agricultural products amounted to \$536 million in fiscal year 2012-13, and it rose by 57 percent to \$843 million by the end of fiscal year 2022-23.

Bangladesh's overall export earnings stood at Tk 431,742 crore in fiscal year 2022-23 while it was Tk 376,976 crore the preceding year, according to the central bank data.

Government of the People's Republic of Bangladesh
Office of the Project Director
Sustainable Coastal and Marine Fisheries Project (SCMFP)
Department of Fisheries
Matshya Bhaban, Ramna, Dhaka-1000

Memo No. 33.02.0000.949.02.044.24-3104Date 21 November 2024

REQUEST FOR EXPRESSIONS OF INTEREST (EOI)
(CONSULTING SERVICES: FIRM SELECTION- NATIONAL)

COUNTRY: Bangladesh
NAME OF PROJECT: Sustainable Coastal and Marine Fisheries Project (SCMFP)
PROJECT ID: PI61568
Credit No.: 6326-BD
Assignment Title: Third-Party Assessor for Endline Assessment and Project Completion Report
Reference No: Package No. SD64

1. The Government of the People's Republic of Bangladesh (GoB) has received a credit from the International Development Association (IDA) towards the cost of 'Sustainable Coastal and Marine Fisheries Project' to be implemented by Department of Fisheries (DoF) and intends to apply a part of the proceeds of this credit for the services of a consultant (firm) for Third-Party Assessor for Endline Assessment and Project Completion Report (Package No.: SD64).

2. The consulting services ("the Services") include but not limited to the following segments i.e. (i) Evaluation Framework (ii) Sampling frame and (iii) Data collection and tools. The consultant will undertake an endline assessment, project completion report, implementation completion report and deliver these reports for the project. There will be five key professionals in the team. The total estimated input of key experts is 17 person-month. This is an infrastructure investment project in coastal and inland fisheries and aquaculture sectors. The detailed scope of services and deliverables are available in the Terms of Reference (TOR). Interested Consultants are advised to refer to the Terms of Reference (TOR) available in the Notice of the websites of Department of Fisheries (www.fisheries.gov.bd) and scmfp.fisheries.gov.bd and also in the office of the undersigned.

3. Department of Fisheries (DoF) represented by the Project Director, SCMFP now invites eligible consulting firms ("Consultants"), either single entities or joint ventures, to indicate their interest in providing above mentioned services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The short-listing criteria are:

a) 10 years of general experience of the firm(s) in providing consulting services. For "joint venture" association, this qualification criterion shall be met by each partners;

b) Similar consulting services: Experience of performing mid-term review/final evaluation of development projects' outputs/results and preparation of implementation completion report in GoB and World Bank/other donor funded projects. Experience in similar consulting services in the agriculture sector will be an added advantage;

c) Average Annual Financial Turnover from consulting services provided in last five years;

d) Staffing of the firm;

e) Availability of key experts.

Key Experts will not be evaluated at the shortlisting stage. Experience of sub-consultant will not be taken into account during shortlisting and technical proposal evaluation.

4. Consultants are requested to submit the following documents in support of the above-mentioned criteria:(a) Registration papers (e.g. valid trade license, certificate of incorporation, Articles of Association, Memorandum of Association, and any other relevant documentary evidence) of the firm(s); (b) Joint venture (JV) agreement/letter of intent to form a JV (as applicable) along with the proposed JV agreement; (c) experience of providing similar consulting services in the last 5 years - indicating details of consultancy contracts completed i.e. name of services/contract, description of services, name of the Client, value of each contract, role of Consultant (sole firm, lead firm, JV member, sub-consultant etc.), duration of the service; (d) Firm's brochure including staffing; (e) Audited financial reports for last five years (including turnover from consulting services and other activities, profit & loss, current asset & liability and fixed asset & liability); (f) detailed list of relevant key experts; (g) soft copy of the expression of interest.

5. The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's Procurement Regulations for IPF Borrowers, July 2016, revised November 2017. ("Procurement Regulations"). setting forth the World Bank's policy on conflict of interest.

6. Consultants may associate with other firms to enhance their qualification, but should indicate clearly whether the association is in the form of a "joint-venture" and or "sub-consultancy". In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected. Further, each Partner should have experience in the field related to the assignment, clearly indicating the expected inputs of each partner to the assignment. It is preferable to limit the total number of partners in the association to a maximum of three.

7. A Consultant will be selected in accordance with the Consultant's Qualification Based Selection (CQS national) method set out in the World Bank Procurement Regulations for IPF Borrowers, July 2016 revised November 2017.

8. It is expected that the services will commence in February 2024 and be completed within May 2025. Interested consultants may obtain further information from the office of the undersigned from BST 09:00 to 17:00 hours (GMT+06 hours) (except holidays) until a day preceding the EOI submission deadline.

9. Expression of Interest (EOI) must be delivered to the address below (in person or by mail or by email) by BST 15:00 hours (GMT+06 hours) on or before 8 December 2024.

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