

Commerce Reporter

FBCCI President Sheikh Fazle Fahim today lauded central bank's decision of buying treasury bills and bonds from banks and non-bank financial institutions (NBFIs) to handle any liquidity crisis.

"The move is praiseworthy as it will assist in ensuring liquidity for banks and the NBFIs to extend support in the form of soft loans as needed for businesses- from micro and small and medium to larger sectors- which are hard hit by the coronavirus pandemic," Fahim said in a statement.

Bangladesh Bank (BB) on Sunday in an unprecedented move decided that the government securities from the secondary bond market will be purchased so that liquidity management of banks and the NBFIs do not face any major challenges due to the latest situation caused by coronavirus outbreak.

"During this difficult time such measures would encourage the entrepreneurs," said FBCCI president terming this move as a landmark step.

"On behalf of the businesses, I express my deepest gratitude towards Prime Minister Sheikh Hasina and the concerned political and government leadership for such effective measures," he added.

Under the decision, banks will be allowed to sell their T-bills and bonds holding their statutory liquidity ratio (SLR). Lenders hold the majority of the excess liquidity in the form of T-bills and bonds.

As of December last year the excess liquidity in the banking sector stood at Taka 105,646 crore, according to the central bank.

Fahim said central bank's move came as a renewed attempt to keep the country's economy in order, despite the challenges it is facing to fight against COVID 19.