

# Capital market should be long-term financing source: Farashuddin

**Economic Reporter**

Former Bangladesh Bank (BB) Governor Dr Mohammed Farashuddin Friday said investors are leaning towards banks for long-term financing in the country but it should not be.

"Not bank, capital market should turn into the main source of long-term financing," he opined in his presidential speech at a seminar in the city.

The seminar titled "Current status of financial sector and what to do for development" was organized on the second day of the Arthosuchak Capital Market Expo-2019 at Shilpakala Academy.

Mentioning that there is no country in the world that depends solely on the banks for long-term financing, Farashuddin said: "In

our country, capital market should be a source of long-term financing which not only would reduce pressure on banks, but also protect them (banks) from the risk of non-performing loan."

Referring to a government decision in 1992-93 that had forced the

developed for the betterment of capital market as well as the issue of corporate bond has to be considered.

Dr Farashuddin requested the government not to bring any change in saving certificates, saying, "It (saving certificate) is the last resort of the millions of people of the country and they are benefited by it."

BB Adviser Dr SK Sur Chowdhury was present at the seminar as

chief guest while Bangladesh Institute of Bank Management Director Shah M Ahsan, Bank Asia Managing Director Arfan Ali, Prime Bank Investment CEO and Prime Bank Additional Managing Director Tabarak Hosain Bhuiyan and IIFEC Managing Director Colam Sarwar Bhuiyan took part as discussants



commercial banks to disburse long-term financing, the former BB governor said "It (bank financing) was not a wise decision. I request the government to arrange long-term financing from the capital market revising the previous decision."

The veteran economist also opined that bond market should be

