



# JOURNAL OF THE INSTITUTE OF BANKERS BANGLADESH

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*Md. Nazim Uddin Bhuiyan*

*A. S. M. Anwar*

### **Demand and Supply of Bank Credit in Bangladesh**

*Dr. Nazma Begum*

### **Socio-Economic Evaluation of Shrimp Cultivation in Bangladesh :**

**A Case Study of Three Villages**

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### **Mckinnon's Demand for Money Function : The Case of Bangladesh**

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## *Editorial Notes*

At present, the banking sector of Bangladesh is undergoing a long-desired change in its operational policies. This change was warranted by the fact of inefficient handling of banks' fund, created by public deposit which ultimately has resulted in huge amount of loan default. This phenomena has certainly shattered the public faith in financial institutions to some extent. Extensive disbursement of loan without proper evaluation of the viability of the project and institutions has consequently led to this situation. The problem grew to such a peak that it became a national issue of discussion in parliament, seminars, press and even in the minds of general public. This has enforced the present policy makers to think afresh of the existing regulatory mechanism of the central bank for controlling the overall operation of the financial institutions with a view to improving the operational efficiency of these institutions.

The new regulatory policy formulated by the present financial administration has reestablished the public faith on the banking system which has resulted in the increase of total deposit in banks by 18.34%, the loan disbursement by about 15% during 1997 in comparison to 1996 and recovery of overdue loans of Tk. 7333 crore during 1997. But unfortunately the new policy is often misinterpreted by some quarters as the cause of shrinkage in loan disbursement and eventually in volume of economic activities. But this change in the policy formulation should not be judged from a narrow and short term point of view rather it should be judged from a wider perspective of sustainable economic development.

The half yearly journal of the Institute of Bankers, Bangladesh is brought out with the view to highlighting the contemporary issues and problems of the economy and specially of the banking sector through scrutiny of its existing policies and performances by the academicians, researchers and bankers. This particular issue of the journal contains a number of articles on operational policies and problems in the banking and financial sector such as Business Ethics for Sustainable Business Development: A Synopsis, Demand and Supply of Bank Credit in Bangladesh, Socio-Economic Evaluation of Shrimp Cultivation in Bangladesh: A Case study of Three Villages, McKinnon's Demand for Money Function: The Case of Bangladesh, Restructuring of Rural Banking in Bangladesh etc. which might help the readers to visualise the scenario of the financial sector.