

Saifur blasts NCBs for poor performance

BSS, Dhaka

Minister for Finance and Planning M Saifur Rahman Saturday blasted the Nationalised Commercial Banks (NCBs) saying that they were continuously showing poor performance in the overall economy.

"NCBs are the most important driving force of the national economy but they have now been shattered due to the burden of debts", he said. Major income of the national economy must come from the NCBs, he added.

The finance minister was speaking as the chief guest at the inaugural session of a two-day conference of the heads of regional and corporate branches of Agrani Bank at a local hotel.

With Chairman of the Management Board of Agrani Bank M Ahsanul Haq in the chair, the function was also addressed, among others, by Finance Secretary Zakir Ahmed Khan and Agrani Bank's Managing Director ASM Emdadul Haq.

Saifur Rahman was highly critical about the performance of NCBs as he said their capitals were constantly waning instead of making profits. "Cumulative sanctioning of advance is increasing day by day while cumulative recovery is decreasing in all NCBs", he said.

The finance minister said the present government inherited a near-decaying economy from the past government but scored a remarkable success on different heads like deficit financing, revenue collection, foreign remittance and foreign currency reserve.

"Still I have to say with much regret that no progress has been achieved in the nationalized banking sector," he said adding, "donors are thoroughly dissatisfied with the performance of nationalized banks."

Saifur Rahman directed the NCB authorities not to sanction a single loan for "traditional heads in traditional way." "You may sanction advance only against the 100 per cent export oriented industries and new innovative projects, which are

technologically and financially sound and prospective," he said.

The finance minister referred to some private sector banks like Standard Chartered Bank with only handful of branches and said it was making good profits by crores of taka each year. "Why the nationalized banks each could not make profit," he questioned and bitterly criticized the indiscriminate opening of branches of NCBs without considering their financial viability.

"Even some bank executives to benefit their friends and well-wishers rented their houses to open branches of their banks without taking into consideration their financial viability", he said.

Saifur Rahman was also very critical about the chairmen and members of the board of directors of various nationalized banks for their failure to make respective organizations dynamic and potential.

"Your job is very much confined within some promotion and transfer cases as well as sanctioning advances in favour of your well-wishers and then end your broad meeting after having been refreshed by Coca-Cola", he said.

The finance minister said the management boards of NCBs seldom prepare any integrated policy for recovery of loans, strengthening supervision and monitoring system, building strong audit net-work and developing legal system.

"Do or die should be your motto," he told the bank executives and said he would not more seek apology to the donors for the failures of NCBs.

He advised the bank executives to work with more devotion and sincerity to bring efficiency and dynamism in this very important sector of national economy.

BOI estimates \$328m FDI in 2002

STAR BUSINESS REPORT

Inflow of foreign direct investment (FDI) was US\$328.22 million in 2002, said executive chairman of Board of Investment (BOI) at a discussion yesterday.

Of the total FDI, about 19 per cent came from Norway followed by the USA with 17 per cent, Singapore 14 per cent, Hong Kong and Malaysia 9 per cent each.

BOI, the government agency for investment registration, for the first time initiated the survey of its own on foreign investment to give all stakeholders a transparent FDI scenario.

Earlier, United Nations Conference on Trade and Development (UNCTAD) annual report had been the only source for the FDI figure in Bangladesh. The figure included reinvestments that account for 31 per cent of the total amount but excluded equity of the local partners in case of joint ventures, BOI Executive Chairman Mahmudur Rahman said at the discussion organised by the Economic Reporters' Forum (ERF).

Manufacturing sector shared 44 per cent of the FDI last year, surpassing energy and telecom sectors that invited huge FDIs in previous few years.

"This is a qualitative change in the FDI inflow as the biggest amount came in manufacturing sector where we need most," the BOI executive chairman said, disclosing the findings of an FDI-inflow survey. He said European countries including European Union have about 32 per cent share in the total FDI inflow.

Expressing doubt over the adjustment of re-investment in BOI's FDI survey, Foreign Investors' Chamber of Commerce and Industry (FICCI) President Waliur

Rahman Bhuiyan said, "We need to wait until the UNCTAD releases the FDI figures for 2003."

According to UNCTAD World Investment Report 2002, FDI flow into Bangladesh was US\$ 78 million in 2001. However, Bangladesh's many economists and business leaders differed with the UNCTAD figure.

Following the UNCTAD definition of FDI, the BOI survey incorporated equity capital, reinvestment and intra-company loans that altogether raised the investment figure to US\$ 359.54 million. But the adjusted FDI inflow stood at US\$ 328.22 million after deducting reinvestment from the profits of the local partners in a conservative reckoning.

Mahmudur Rahman said BOI's strategic business plan envisages FDI inflow to the tune of US\$ 1 billion in 2006, with an expected annual increase of \$200 million right from the current calendar year. This year's target is US\$ 400 million. He said Bangladesh would lure investment in nine specific sectors including textiles, leather goods, information communication and technology, ceramics, electronic assembling and gas and agro-based industries.

Rahman said Bangladesh would soon open offices in five cities including Dubai, Kuala Lumpur, Singapore, Frankfurt and New York to disseminate information about incentives provided by Bangladesh.

The BOI chief said Bangladesh would try to woo investors from the Middle East, China, Korea, Taiwan, Malaysia, European countries and North America.

Bhuiyan said corruption, frequent policy shift and lack of political stability and good governance are giving wrong signals to prospective investors to invest in the country.

Aftabul Islam, president of American Chamber of Commerce in Bangladesh (AmCham), called upon media men to portray the country's positive image abroad.

"Foreign investors will consider Bangladesh a good destination if we have a positive image abroad," he added.

M Mofizur Rahman, executive chairman of the Bangladesh Export Processing Zone Authority (BEPZA), ERF President Shamsul Huq Zahid and General Secretary Shawkat Hossain Masum also spoke.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer	
59.0000	59.0500	USD	58.0200	57.8496	57.7803
64.5401	64.5948	EUR	61.6114	61.4305	61.3569
94.0165	94.0962	GBP	90.9464	90.6792	90.5707
36.0608	36.0914	AUD	33.9533	33.8536	33.8131
0.5006	0.5010	JPY	0.4849	0.4834	0.4829
43.5714	43.6083	CHF	41.1626	42.0388	41.9885
7.0213	7.0273	SEK	6.7757	6.7558	6.7477
39.4043	39.4377	CAD	36.3401	36.2274	36.1817
7.5724	7.5788	HKD	7.4318	7.4100	7.4011
33.9334	33.9622	SGD	33.1032	33.0060	32.9685
16.1950	16.2087	AED	15.6696	15.6236	15.6049
15.8589	15.8724	SAR	15.3496	15.3045	15.2862

Exchange rates of some currencies against US dollar

Indian Rupee	Pak rupee	Lankan rupee	Thai Baht	Norwegian Kroner	NZ dollar	Malaysian Ringgit
47.625	57.8	96.855	43.875	7.0081	0.5586	3.80

Local Interbank FX Trading: The local interbank foreign exchange market was subdued on Saturday. US dollar remained unchanged against taka in the interbank market amidst moderate trade.

ReadyCash Raffle Draw Winners

The latest ReadyCash raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka.

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two		Md Billal Hossain
5047980010008164		
Meal in the Box Free Lunch for Two	Kh A Awal	5047980000045958
Sticky Fingers Free Lunch/Dinner for two	Mr Ali Morshed	5047980000046084
Obsession Free Gift Box	Md Nurul Ameen	5047980000046090
Wonder Optics Free Sunglass	Aafsar AKhan	5047980010010504
Liton's Snacks Free Meal Box	Gazi Alamin	5047980010010866
Desh Karupannya Free Gift Box	Md Rafiqul Islam	5047980010010505
The Dhansiri Free Lunch/Dinner for Two	Md Imran Hasan	5047980010010832
Kamal General Store	Md Sahab Uddin	5047980020002109

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. **ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, and**

STOCK