

Banks to introduce 'same-day clearing' for elite clients

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As per recommendation of an inter-bank consultative group, 246 branches of nationalised, private and foreign banks in Dhaka are going to introduce 'same-day clearing' system, offering their clients a quicker service.

The system to be effective from October 4 will allow bank clients to encash cheques for Tk 5 lakh and above within the day of submission. Presently, such withdrawal takes up to three days as it requires

clearance from the central bank. The Bangladesh Bank on September 17 issued a guideline for introducing the system in line with recommendation of the consultative group, which was formed as per suggestion from central bank Governor Fakhruddin Ahmed.

Sources said 51 nationalised, private and foreign banks have already informed the central bank about their 246 branches that will introduce the system. The

branches are in Paltan, Motijheel, Kakrail, Gullistan and Tikatuli areas.

Earlier, the Bangladesh Bank (BB) directed all commercial banks to send a list of their branches located within four km of the central bank head office in Dhaka that can technically handle same-day clearance.

The BB suggested that all items under the system will have to be endorsed with the 'same-day clearing' stamp by the bank con-

cerned. It also asked the banks to keep the relevant data saved in computer.

The banks will transfer the data to clearing houses in floppy disks and the clients will be able to withdraw their money within hours of submission of cheques.

Other working procedure of the same-day clearing instrument will be similar to the present banking procedure.

From Saturday through Wednesday, the same-day clear-

ing will start at 11 am and close at 12 noon while return clearing will start at 2pm. On Thursdays, it will start at 10am and close at 11am. The return clearing will start at 12 noon.

A few months ago, an inter-bank consultative group with representatives from 14 banks was formed as per a suggestion of the BB governor. The group recommended the same-day clearing system for extending quicker service to clients.



PHOTO: STAR
Shekhar Shah (R), sector manager and a member of the development report team, speaks at the launching of World Development Report 2004 at the World Bank office in Dhaka yesterday as Jeffrey Hammer, a lead economist of the World Bank, looks on.

Dollar eases further against taka

BSS, Dhaka

The US dollar eased further against the Bangladesh taka in this inter-bank trading yesterday mainly due to holiday in the international markets, dealers said.

The dollar traded at 58.4150 taka and 58.4300 taka per unit, compared to its previous rates at 58.4250 taka and 58.4350 taka on Saturday, dealers of leading commercial banks said.

The demand for the greenback was lower from importers as most international markets remained closed due to weekend holiday when the dollar was under pressure ahead of G-7 meeting, dealers said.

"Every one in the foreign exchange markets were in holiday mood as cross-currency trade was nil due to weekend holiday in most international markets," said one dealer of a nationalised commercial bank.

The US unit, however, still is strong against the local currency which earlier was officially sold at Tk 58.40 to the dollar. The dollar fell down record low against the yen on Friday.

"We have sufficient dollar inflow thanks to remittance growth. But the dollar is still in our focus when many investors took sidelined for the euro," said treasury head of a leading private bank.

He said many local dealers think the dollar might be stronger in the near-term even though the market is still gripped by fears of Japanese intervention and gloomy signal about the euro-zone economy.

BB T-bill auction

UNB, Dhaka

The 263rd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held in Dhaka yesterday.

A total of Tk 1346.50 crore, Tk 5 crore, Tk 0.40 crore, Tk 20.20 crore, Tk 164.50 crore and Tk 40.00 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 1202 crore, Tk 5 crore, Tk 20.20 crore, Tk 11 crore and Tk 5 crore of 28-day, 91-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields was 4.75-5.30 percent, 6.45 percent, 7.45 percent, 8.00 percent and 8.90 percent per annum, said a Bangladesh Bank press release.

Emirates signs lease agreement with Dubai-based banks

The first-ever aircraft lease funded and structured entirely by Dubai-based banks has been signed by Emirates Group Chairman Sheikh Ahmed bin Saeed Al-Maktoum.

The US\$90 million operating lease, for a new Airbus A330-200 over a 12-year term, was arranged and funded by National Bank of Dubai and Emirates Bank Group, says a press release.

The debt was financed on a floating rate basis at a margin of 0.90 per cent over six-month Libor (London Inter Bank Offered Rate).

The new aircraft will be delivered on September 23. Powered by Rolls-Royce Trent 700 series engines, it is the last of 29 Airbus A330-200s for which Emirates had placed firm orders. The airline's current passenger fleet stands at 50 aircraft.

Sheikh Ahmed signed the financing documents with Anis Al Jallaf, managing director and CEO of Emirates Bank Group, and Abudullah Mohammed Saleh, managing director of National Bank of Dubai.

Govt plans to rehabilitate 36 sick tea gardens

STAR BUSINESS REPORT

The government has decided to rehabilitate 36 sick tea gardens now facing manifold problems, including lower yield and poor land utilisation.

The decision was taken at a meeting of the Ministry of Commerce yesterday which discussed ways and means to resolve the problems.

Chaired by Commerce Minister Amir Khosru Mahmud Chowdhury the meeting suggested making the sick gardens commercially viable.

Commerce Secretary Suhel Ahmed, Bangladesh Tea Board (BTB) Chairman SAHM Tauhid and high officials of Bangladesh Krishi Bank were present.

Presently, there are 157 tea

gardens in Sylhet, Moulvibazar, Habiganj, Brahmanbaria, Chittagong and Chittagong Hill Tracts regions.

"The performance of these 36 sick gardens is dismal and it has become necessary to take steps for their rehabilitation," said a commerce ministry official.

The BTB has identified them as least developed gardens (LDG) because their yield is 340 kg per hectare, against a national average of 1,150 kg per hectare.

Apart from facing management and legal problems, the LDGs are also burdened with Tk 5.53 crore overdue loan of the Bangladesh Krishi Bank.

The average land utilisation of the LDGs is 29 per cent. The 36

LDGs have 11,906 hectares of land, which is over 10 per cent of the total land of the tea industry but their contribution to national tea output is only 1.19 per cent.

"Some of the reasons behind the poor performance of these gardens are beyond the control of their owners," said an official of BTB.

He said the LDGs are financially very weak and they do not have the requisite know-how and capacity to raise nursery for the high yield variety of tea.

Experts say Bangladesh may lose its status as a tea exporting country in near future as the domestic consumption is increasing at a higher rate than the rate of production.

StanChart to offer banking services thru' GP SMS

GrameenPhone Ltd and Standard Chartered Bank recently signed an agreement to offer banking services through short message services (SMS) to clients, says a press release.

Under the arrangement, clients of Standard Chartered Bank will receive account statements through SMS on a monthly basis.

Only the subscribers of both GrameenPhone and Standard Chartered Bank will enjoy this facility.

Standard Chartered Bank is also planning to offer further banking services through SMS for their clients soon.

Kafil HS Mueyed, general manager (sales and marketing) of GrameenPhone, and Tanvir Haider Chowdhury, head (shared distribution) of Standard Chartered Bank, signed the agreement on behalf of their organisations.

Mahboob Hossain, additional general manager (distribution) of GrameenPhone, and Sajidur Rahman, head (consumer banking) of Standard Chartered Bank were also present.

Call money rate steady

BSS, Dhaka

The inter-bank call money rate remained steady yesterday amid low money demand from private sector, fund managers said.

The call money rate touched its day-low at 2.50 per cent in a few deals and its day-high at 7.00 per cent today, fund managers of leading commercial banks said.

In most deals, the call money rate, however, ranged between 4.00 per cent and 5.50 per cent, they said.

"The demand for money is very thin as most banks hold surplus liquidity driven by lower credit flow to the private sector," fund managers said.

Banks are very cautious in lending to avoid piling classified loans that forced them to hold surplus funds, they added.

Aga Khan Fund to set up micro finance bank in Afghanistan

Aga Khan Fund for Economic Development (Akfed) recently received a banking license from Afghan government to set up a micro-finance bank in the war-ravaged country.

The First MicroFinance Bank, with an initial capital of US\$ 5 million, will be the first of its kind to be established under the country's new regulatory structure, says a press release.

Akfed, majority shareholder of the new bank, has mobilised international resources to help create an institution focused on poverty alleviation and that has a strong regional presence.

International Finance Corporation (IFC) is expected to take a 19 per cent share of the bank.

The institution has been receiving support from the World Bank Group-administered Norwegian Trust Fund, the Japanese Social Development Fund, the Dutch Trust Fund and from IFC's own resources.

The establishment of the bank will strengthen Akfed's regional presence in micro-finance sector.

FBCCI for wider investment, trade ties with Chile

STAR BUSINESS REPORT

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Mintoo yesterday urged the government of Chile to sign a treaty with Bangladesh on investment promotion.

The FBCCI president also said an agreement for avoidance of double taxation between the two governments is needed to facilitate bilateral trade.

"We are eager to do business with the Latin American country," Mintoo said at a meeting between the FBCCI and New Delhi-based Chilean Ambassador to Bangladesh Manuel Cardenas at the FBCCI secretariat.

He said signing of the two deals would boost trade relations between the two nations. The present bilateral trade volume is negligible but it stands in favour of Bangladesh.

Describing various incentives offered by Bangladesh government to foreign investors, Mintoo said

Chilean businessmen could take the opportunities and invest here.

The Chilean ambassador said Bangladeshi businessmen could find it beneficial in doing business with the Latin American country as it has free trade agreements (FTAs) with many countries, including USA, Canada, as well as the European Union.

Though Chile has only 15.4 million population, the FTAs allow any country to have access to around 900 million people in the region, said the ambassador while making a presentation on doing business with Chile.

He said taking advantage of various incentives offered by his government, India has been able to expand its trade with Chile. India exported goods worth around \$300 million in 2002-03 while it was only \$7.5 million in 1995.

Ambassador Manuel Cardenas told the Bangladesh business leaders that price and quality are two keywords for doing business with Chile.

According to the FBCCI president, Bangladesh can export a wide range of items to Chile including leather products, porcelain wares, pharmaceuticals, jute goods, readymade garments and knitwear, chemical products, toiletries and engineering products.

On the other hand, Bangladesh can import copper, beverages, spirits, vinegar, nuts, tobacco and manufactured tobacco from Chile.

Chilean Honourary Consul for Bangladesh Asif A Chowdhury who was present at the meeting said Bangladeshi businessmen can process their visa for Chile through the Chilean consul office in Dhaka.

According to available statistics from Export Promotion Bureau, Bangladesh Bank and World Bank, Bangladesh imported goods worth \$0.66 million in 2001-02 from Chile while Chile imports items worth \$2.87 million from Bangladesh.



PHOTO: BGMEA

Commerce Minister Amir Khosru Mahmud Chowdhury hands over a certificate to a Nigerian student at the concluding ceremony of a course on quality control and apparel merchandising conducted by BGMEA Institute of Fashion and Technology, Chittagong campus recently. Commerce Ministry Advisor Barkat Ullah Bulu and BGMEA President Kazi Moniruzzaman are also seen in the picture. A total of 24 Nigerian students took part in the course.

ADB faces pressure to streamline operations

AFP, Manila

When the Asian Development Bank (ADB) emerged from a major revamp recently, officials at the region's premier financial development institution thought there would be some respite from criticism of its operations.

But the 37-year-old bank, whose primary task is to alleviate poverty in the region, continues to be hounded by calls to streamline.

Critics say the bank lacks a clear focus in its operations, is understaffed, saddled with an over-centralised structure and handicapped by lending constraints.

The bank should first review its staffing levels to make it compatible with ADB policies, operations and activities, said Canada's Julian Payne, a director on the ADB board for nine years before his retirement recently.

"By any indicator that I am aware of, the bank has a lowest ratio of professional staff to programme levels, number of countries being assisted, number of projects and disbursement levels etcetera of any multilateral development organisation," he told a business forum last

month. The Manila-based ADB has 2,220 staff -- including 800 professional staff -- representing 49 of its 61 member nations, ranging from impoverished Nepal to the world's most developed economy, the United States.

Payne listed understaffing as among several "fundamental challenges" which the bank and board "need to debate in more substantial and open terms than they have to date."

Noting that ADB "is being asked by everyone to do everything everywhere," Payne said the bank should be more selective and focused in its operations in Asia, where 900 million people remain in the poverty bracket.

He cited as an example control of drug trafficking and alternative employment programmes for traffickers, and asked whether the ADB should assist or leave it to the appropriate UN specialised agency to handle.

"This issue related to the understaffing issue constitutes probably the most serious internal management problem and constraint that ADB faces," he said.

Another ex-ADB board member, Britain's Frank Black, said the bank was saddled with an over-centralised structure interfering with the delivery of funding.

The bank also lacked "clear vision and strong direction" and is an "ineffective" regional mimic of the World Bank, he charged in a farewell note to ADB which was leaked to the media.

Black also blasted ADB's alleged "closeness" to governments that undermined its efforts to promote good governance.

On the ADB Board, Payne and Black were among representatives of donor countries, including the United States, pushing for greater transparency and accountability.

Their call to overhaul the ADB machinery came just as the Japanese president of the bank Tadao Chino completed a reorganisation exercise accompanied by new operational business processes aimed at boosting efficiency and governance.

Entire Noakhali comes under Aktel network

STAR BUSINESS REPORT

As Aktel has launched its service in Companyganj, the entire Noakhali district has now come under its mobile network.

Minister for Law, Justice and Parliamentary Affairs Moudud Ahmed formally launched the service on Friday at a function held in Companyganj.

With the commissioning of the BTS (best transmission receiver station) tower at Companyganj, the total number of base stations of Aktel in Noakhali district now stands at 11, according to a press statement.

Addressing the function, Moudud said telecommunication must be expanded to nook and corner of the country to give a boost

to rural economy.

New technologies like cellular phone and IT have to be made available to rural people to enable them face challenges of the new century, he said.

AM Zahiruddin Khan, chairman of Telekom Malaysia International Bangladesh (TMI), operator of Aktel mobile service, said apart from expanding network Aktel is adding new features to its service.

Omar Bin Shahid, general manager (Technical) of Aktel, was also present.

TMI, the largest Malaysian joint venture company in Bangladesh, has taken up expansion programme to cover 62 out of 64 districts by the end of the year.

Steps needed to face post-MFA challenge RMG exporters say

STAR BUSINESS REPORT

Initiatives should be taken immediately to ready Bangladeshi garments to face the post-MFA (multi fibre arrangement) challenges after 2004.

Oikkyajot, an alliance of garment factory owners belonging to Bangladesh Garment Manufacturers' and Exporters' Association (BGMEA), said this yesterday at a press conference.

The alliance suggested expansion of backward linkage industries and extending credit to entrepreneurs to set up such industries.

It also called for complying with international labour standards.

Speaking at the conference, alliance President Fazlul Azim said to face the post-MFA, every country which competes in garment exports specially in the US and EU countries has taken initiatives to face the challenges.

US sanctions ravage Myanmar RMG sector

AFP, Yangon

Tough new US sanctions against Myanmar are ravaging its valuable garment industry but local businesspeople are adapting to find a way around the punitive measures in their latest bid to survive the country's moribund economy.

"There was inevitably complete chaos initially because there had been no preparations for the sanctions," said one Western diplomat of

the measures, which completely paralysed trade in this heavily dollar-dependent nation after being introduced in August.

The sanctions include a ban on all imports from Myanmar, worth 356 million dollars a year, and are aimed especially at the crucial textiles trade. They also freeze property holdings and financial assets held by members of the ruling junta in US banks, and halt foreign remittances.

Bank Asia IPO subscription opens tomorrow

The subscription of IPO (initial public offering) of Bank Asia Limited will open tomorrow and close on Wednesday.

The size of the issue is Tk 300 million, out of which Tk 100 million has already been subscribed by the investors under pre-IPO placement and the balance amount of Tk 200 million will be offered to the general public under IPO, says a press release.

With the amount of pre-IPO and IPO subscriptions, total amount of paid up capital of Bank Asia will rise to Tk 600 million.

StanChart to open branch in Afghanistan

Standard Chartered Bank (SCB) is going to start its banking operation in Afghanistan.

The Afghan central bank has issued a banking licence to the SCB to open a branch in Kabul, says a press release.

Standard Chartered will be the first international bank to open a branch in Afghanistan.

The bank will offer various commercial banking facilities to its clients, which include deposit in US dollars and Afghani, facilitating international money transfers and trade services on selected secured transaction.

Dutch-Bangla Bank holds training on new banking software

Dutch-Bangla Bank Ltd held a training programme on the bank's newly developed software for statements of foreign currency transaction on Saturday in Dhaka.

Deputy Managing Director of the bank Abul Hashem Khan inaugurated the training programme at the bank's training centre. He said the bank will go into full computerisation shortly.

Abul Kashem Mohammad Shirin, executive vice-president and in-charge of IT Division of the bank, and Mohammad Harun Azad, senior vice-president and in-charge of International Division (Treasury Operation), were present at the training.