

## EU envoy expects US to give special trade facilities to LDCs

UNB, Dhaka

European Union Ambassador Stefan Frowein yesterday hoped the developed nations like the US would follow the EU in giving special trade facilities to the least developed countries (LDCs), particularly in importing apparel products.

"The US will give special trade facilities to the LDCs like the EU," he said when leaders of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) met him at his office.

He, however, advised the BGMEA leaders to look for alternative destinations for exporting garment items instead of depending only on the US and the EU.

The BGMEA leaders, led by its president Tipu Munshi, urged the EU ambassador to discuss with the EU trade commissioner for easing the Rules of Origin under the GSP system to facilitate the export of Bangladeshi garments to the EU.

In reply, Stefan said the EU is sincere in ensuring access of Bangladesh's apparel products to the EU countries and advised the BGMEA leaders to reduce the lead time in Chittagong Port, which is the highest in the world.

BGMEA Vice-president Abdus Salam Murshidi, Vice-president (finance) Shahadat Hossain Chowdhury (Arun), directors Annisul Haq and Harun-or-Rashid were, among others, present.

## Two-day micro credit fair begins in Dhaka tomorrow

UNB, Dhaka

A two-day 'micro-credit fair' begins in Dhaka tomorrow to popularise the micro-credit operation as an important tool in poverty alleviation.

Palli Karma Sahayak Foundation (PKSF), the country's apex financial institution in funding domestic NGOs, will organise the fair at Sheraton Hotel marking the conclusion of "UN International Year of Micro-credit 2005" earlier declared by the United Nations.

Apart from the fair, PKSF in this connection also chalked out a series of programmes including reward-giving ceremony to best partner organisations, photo exhibition, publishing of supplements, screening documentary and television talk show.

This was announced at a press conference held at the Dhaka Reporters Unity (DRU) conference room yesterday. PKSF general manager (administration) Dr MA Hakim read out a written statement in the conference attended, among others, by research and publication manager Sarah Jesmin.

Economist and Grameen Bank founder Dr Muhammad Yunus will formally open the fair at 11am where the products of the micro-credit users, photos, books and reports will be put on display.

On February 5, awards will be distributed among the best partner organisations for their outstanding contribution in micro credit operation.

Prime Minister Khaleda Zia is expected to attend the function as chief guest at the same venue at 6pm.

# BB makes guideline to fix salaries, perks for bank CEOs

STAR BUSINESS REPORT

The central bank yesterday announced a guideline for private banks to determine salaries and allowances of their chief executive officers.

A Bangladesh Bank circular also said the age of a bank's CEO should not be over 65 years and the banks will not be allowed to give any dividend and commission to the CEOs.

While fixing salary and allowance of a bank CEO, the bank's financial conditions such as business volume and earnings should be taken into consideration, the BB said.

Besides, salaries and allowances offered by similar other banks should also be considered before fixing remuneration and perks, the BB added.

Banks will have to report to the Bangladesh Bank about the salaries that include basic salaries and house rents as well as other benefits such as utility bills, car, fuel and driver facilities in terms of cash.

"All the salaries, allowances and facilities will have to be shown in terms of money," said the BB circular.

The salaries and allowances fixed in the service contract cannot be changed within the period. However, in case of extending one's service, a new pay structure can be proposed.

Besides the mentioned pay and allowances, the CEO will not be entitled for any other direct or indirect benefits.

Banks will not be allowed to pay income taxes on behalf of the CEOs.

Khandkar Ibrahim Khaled,

managing director of Pubali Bank, said the logic behind imposing such restrictions on fixing salaries and allowances of the CEOs is not clear to him.

He also questioned the logic behind the age bar for the CEOs when the service age of the chief justice and executives of many government offices has been raised to 67 years.

The salaries and allowances and income tax payment issue should be settled by the employer and the employee, Khaled opined.

A BB official said some of the banks are paying hefty salaries, which in some cases hit Tk 10 lakh.

As a bank is run by public deposits, the BB, the custodian, has taken this initiative to ensure that the banks' money is not wasted, he added.

## Oil prices stable

AFP, London

World oil prices held steady on Thursday as traders awaited fresh news concerning Iran after volatile trade the previous day following the release of mixed US crude stocks data.

The International Atomic Energy Agency (IAEA) met in emergency session Thursday, with Iranian allies Russia and China promising to back a resolution to take Tehran to the Security Council over its disputed nuclear program.

New York's main contract, light sweet crude for delivery in March, rose 10 cents to 66.66 dollars per barrel in electronic deals.

In London, the price of Brent North Sea crude for March delivery eased by eight cents to 64.95 dollars per barrel.

"Concern over today's IAEA meeting to discuss Iran is supporting oil prices despite yesterday's US inventory data," said Barclays Capital analyst Kevin Norrish.

The IAEA was not expected to vote on Iran on Thursday as the United States and Europe continue lobbying for wide support on the 35-nation body.

A decision from the IAEA, the UN's nuclear watchdog, was expected Friday according to a diplomat close to the agency.

## Singer sales confce held in Thailand

The five-day Sales Conference-2006 of Singer Bangladesh Ltd was held on January 18-22 in Pattaya, Thailand, says a press release.

Mahbub Jamil, managing director and CEO of Singer Bangladesh Ltd, inaugurated the conference, which was attended by 235 people including management committee members, sales managers, area managers, district managers, branch managers, exclusive agents and other officers.

Successful performers were awarded on the third day of the conference.

## New MD of Union Capital



Mohammad Hafiz Ahmed took over as the managing director of Union Capital Ltd on January 25.

He obtained his MA degree in Modern History from Dhaka University in 1965 and started his banking career in 1967 by joining the then United Bank Ltd (now Janata Bank) as a probationary officer, says a press release.

He held important positions at different banks at home and abroad.

## FUEL IMPORT FOR NEXT FEW MONTHS

# Limit long-term loans to ensure adequate reserve

## Saifur asks banks

STAR BUSINESS REPORT

Finance Minister M Saifur Rahman yesterday asked bankers to be cautious about long term and big investment so as to ensure adequate reserve for fuel import for the next few months.

Saifur also warned the nationalised commercial banks (NCBs) that the opportunists may try to get bad projects passed by the banks before the elections.

While speaking at Janata Bank's 'Annual Conference 2006' at Bangladesh-China Friendship Conference Centre in Dhaka, Saifur said, "We must have enough stock of petroleum to keep things running and for that we must have adequate foreign exchange reserve. If we still have some reserve left after meeting that demand, we can spend it on investment purposes."

"Our priority is to maintain adequate forex reserve for fuel import," he said, adding that the banks will have to make future commitment by taking into account the immediate foreign currency need.

As oil prices climbed up manifold in the international market, Bangladesh is being forced to spend huge amount of foreign currency on importing fuel. The biggest NCB, Sonali Bank, is now in dire straits after financing the petroleum import, he pointed out.

Towards the end of every government's tenure, a section of opportunists get bad projects passed by influencing or manipulating the bank management, he said. "I won't be surprised if I see you are also receiving many such proposals. As we are already in pressure due to oil price hike, you must be very alert to prevent any such incident," he cautioned the bankers.

Pointing to the fact that the banks usually file cases against the

small defaulters and leave the big ones undisturbed, Saifur directed the finance secretary to prepare a list of the defaulters against whom cases have been filed as well as of those who are being favoured.

Managing Director of Janata Bank SM Aminur Rahman described the bank's performance in 2005. "Janata Bank has made an operative profit to the tune of Tk 330 crore, which is the highest in Janata Bank's history," Rahman said.

The bank has also brought down the amount of its classified loan by 6 percentage point and it now stands at 11 percent, Rahman said.

Bangladesh Bank Governor Salehuddin Ahmed, Finance Secretary Siddiqur Rahman Chowdhury, Chairman of Janata Bank Khandaker Shahidul Islam and Deputy Managing Director of the same bank Mijanur Rahman also spoke at the conference.

## VIOLATION OF SECURITIES RULES

# SEC fines 24 directors, MD of Social Investment Bank

UNB, Dhaka

The Securities and Exchange Commission (SEC) has fined the 24 directors, managing director and company secretary of Social Investment Bank Limited (SIBL) for violation of securities rules.

The fine of Tk 100,000 each will have to be paid to the stock market regulator by bank draft or pay order within 15 days from the order issued yesterday.

"This is the first such disciplinary action the SEC has taken so far

against any bank," SEC executive director Mansur Alam told the news agency.

The bank did not distribute dividends both in terms of cash and bonus shares to shareholder Prof Dr MA Mannan within the specified time frame as per securities rules although the SIBL Board declared dividends for the years from 2000 to 2003.

The SEC also imposed a fine of Tk 10,000 each on all the directors, the managing director and the company secretary for each day's

delay in paying the dividends and submission of the compliance report to the commission within seven days.

"It's necessary and the commission should impose penalties on each of the directors, the managing director and the company secretary to ensure market discipline and transparency and public interest," said the SEC order.

After completion of hearing, the commission considered the failure to pay the dividends was intentional, which is a punishable offence.



PHOTO: JANATA BANK  
Finance and Planning Minister M Saifur Rahman speaks at the annual conference of Janata Bank in Dhaka yesterday. Bangladesh Bank Governor Dr Salehuddin Ahmed, among others, is seen.

## WTO HK MINISTERIAL OUTCOMES

# RMG industry advised to identify priority items

UNB, Dhaka

The RMG industry has been advised to identify their priority items and apprise the country's mission in Geneva so that it can pursue the inclusion of those on the duty-free list of products as decided by the sixth WTO ministerial held in Hong Kong.

Bangladesh mission chief in Geneva Dr Toufiq Ali yesterday made the suggestion at a meeting with the leaders of Bangladesh

Garment Manufacturers and Exporters Association (BGMEA) at its conference room.

WTO member states are committed to preparing the list of 97 percent products in Geneva by this year.

"He has assured us of tagging our priority items with the list of 97 percent products to be given duty-free access," BGMEA President Tipu Munshi said after the meeting.

Toufiq Ali also advised the

industry people as well as the government to go for bilateral negotiations with the US to get duty-free access of Bangladeshi RMG products to the US market, meeting sources said.

According to them, he also underscored the need for diversifying Bangladesh's export basket.

Former BGMEA President Annisul Haq and Vice President (finance) Shahadat Hossain Chowdhury Arun, among others, were present at the meeting.