

BB issues warning against errant auditors

STAR BUSINESS REPORT

The central bank will take action against errant auditors, said Governor Fakhruddin Ahmed yesterday.

"Auditing standard has to be improved. We will have to take action against auditors who will not do their jobs properly," he said inaugurating a discussion on 'Corporate Governance for Banks and Non-banking Financial Institutions' in Dhaka.

Bangladesh Enterprise Institute (BEI) organised the discussion, attended by directors and senior

executives from different banks and financial institutions.

The governor said Bangladesh Bank is now building its own capacity to analyse audit reports of banks more effectively and take action against audit firms.

Lack of corporate governance in the financial sector very quickly affects the other fields adversely, particularly the real sectors, he said mentioning that the classified amounts in the private banks dipped below 4 percent at present due to reform measures that sometimes entailed criticism.

Fakhruddin stressed effective

measures to stop insider lending in future, adding that such insidious practice of siphoning money out of banks by bankers is 'a thing of the past'. "It was a major problem in the past. I believe, it's not a problem today."

The central bank has introduced a fit and proper test to identify who can own a bank in order to ensure good governance, he explained.

BEI President Farooq Sobhan said practice of good corporate governance must start in the financial sector. The message for good corporate governance is profound

and the consequences for poor corporate governance can be devastating.

Michael Gillibrand, co-founder and consultant of Commonwealth Association for Corporate Governance, and Dr YRK Reddy, chairman of Yaga Consulting and founder trustee of the Academy of Corporate Governance in India, made presentations on the topic at the programme.

The programme is a continuation of BEI's research, capacity building and advocacy work on corporate governance that started in 2002.

Garment machinery show bags \$3b orders

BDNEWS, Dhaka

The five-day international textiles and garment machinery exposition that concluded yesterday received a record order of \$3 billion.

The 2nd Dhaka International Textiles and Garment Machinery Exhibition 2005 organised by BTMA (Bangladesh Textile Mills Association) in co-operation with ES Event Management SDN, BHD, Malaysia also drew huge crowd. Some 18,000 entrepreneurs and their agents visited, said Judie Wang, event manager of the fair.

Garment and huge power generation machinery drew the attention of the local entrepreneurs, Wang told the news agency adding that the order has encouraged the fair organisers.

Tourism growth hinges on public-private efforts

Speakers say at the travel mart seminar

STAR BUSINESS REPORT

Collaboration between public and private sectors is needed to boost tourism in Bangladesh, speakers at a seminar said yesterday.

Without public-private partnership, this prospective sector cannot develop or grow fast, they observed.

They were speaking at a seminar on 'Development of Tourism: Role of Public and Private Sector' arranged on the sidelines of 'Dhaka Travel Mart 2005' that began on Friday at the Dhaka Sheraton Hotel. The Bangladesh Monitor, a travel fortnightly, has organised the three-day international tourism exposition.

Speaking at the function, Abdul Mannan MP, president of Pacific Asia Travel Association's Bangladesh chapter, said public and private sector must work together for the development of the tourism sector of Bangladesh.

He, however, said the government is quite reluctant to promote the sector. "The National Tourism Policy was formed 13 years ago and is yet to be updated. Moreover, the National Tourism Council,

headed by the prime minister, held only one meeting in the last 13 years," he said.

But, Mannan added it is such a service sector where maximum opportunities of employment are possible against a minimum investment.

"I hope that our policy makers will understand this and come forward along with the private sector to bring a magical change in this sector," he said.

Bangladesh Parjatan Corporation (BPC) Chairman Mahbubur Rahman said despite huge potentials, the tourism sector in Bangladesh could not develop mainly due to lack of appropriate participation or support from the private sector. "The BPC can not work alone, it needs support."

"The BPC is the pioneer to boost the tourism industry in the country. May be there are problems in it, but we need to solve them and re-organise the BPC," Rahman said adding that the government has already sought assistance from international organisations such as South Asia Subregional Economic

Cooperation (SASEC),

As part of the privatisation of different state-owned motels, the corporation is going to hand over some other seven motels to the private entrepreneurs soon, the BPC chairman said.

Humayun Kabir, joint secretary of Civil Aviation and Tourism ministry, emphasised a master plan to develop the sector.

He also sought more investment in the tourism sector from the private entrepreneurs.

Presenting the keynote paper on public-private partnership for the development of tourism, Raquib Siddiqi, chief editor of The Bangladesh Monitor, said tourism has become one of the fastest growing industries in the world. The world tourism witnessed some 700 million tourists with a receipt of US\$500 billion in the year 2004 only.

Bikrom Pande, managing director of the Himalayan Expeditions, Nepal, said the tourism sector got a huge boost in Nepal after the co-ordination between the public and private sector.

Central bank restricts fresh LC opening for some importers

UNB, Dhaka

Bangladesh Bank in a circular yesterday restricted fresh LC (letter of credit) opening in favour of certain importers as it smells anomalies between the amounts of foreign currencies sent abroad and actual imports shipped home.

The restrictive action will apply to the importers who failed to submit bill of entries or customs-certified invoices within stipulated time against their previous imports.

The central bank imposed the restrictions with "immediate effect", asking authorized dealers (ADs) not to open new LCs under the circumstances.

The preventive measure was prompted by differences the BB found, in many cases, between the outflow of remittances against imports and the actual quantities of commodities coming in as well as duties and taxes received from the consignments, according to the circular.

In the cases of new clients, the Bangladesh Bank asked the dealer banks to make sure that their new clients had properly submitted bill of entries or customs-certified invoices against their earlier imports through their previous banks.

The central bank will identify such irregularities from quarterly reports by the ADs--and it will restrict opening LC against the importers concerned, said the circular.

The inter-bank foreign-exchange deals recently heated up, weakening taka against US dollar amid excessive demand for the greenback.

Central bank officials, however, attributed the currency crunch to increased imports mainly for capital machinery and intermediate goods as well as price hike of commodities in the international market.



PHOTO: BANK ASIA

The 18th branch of Bank Asia Ltd was inaugurated in Sylhet on Thursday. Enam Ahmed Chaudhury, chairman of Privatisation Commission, bank's Chairman M Syeduzzaman, Vice-chairman Arifur Rahman Sinha, directors Mohd Safwan Choudhury, Md Shafiuddin Chowdhury, Jahir Uddin, Anwar Hossain and Rume A Hossain and President and Managing Director Syed Anisul Huq, among others, were present at the Sylhet Upashahar branch inauguration function.

Bank Asia opens new branch in Sylhet

Bank Asia Ltd opened its 18th branch at Sylhet Upashahar on Thursday.

Enam Ahmed Chaudhury, chairman of Privatisation Commission, inaugurated the branch, says a press release.

Chairman of the bank M Syeduzzaman presided over the opening ceremony while Vice-chairman Arifur Rahman Sinha, directors Md Shafiuddin Chowdhury, Mohd Safwan Choudhury, Jahir Uddin, Anwar Hossain and Rume A Hossain and President and Managing Director Syed Anisul Huq were also present at the inauguration ceremony of the bank's second branch in Sylhet.

The bank offers a wide spectrum of services including online banking and ATM facilities.

Taiwanese keen to invest in Ctg

Trade team meets CCCI chief

STAFF CORRESPONDENT, Ctg

Taiwanese trade delegation has expressed its interest to invest in the port city and take part in the next Chittagong International Trade Fair. A visiting seven-member trade and investment delegation comprising members from Taiwan's Ministry of Economic Affairs and Board of Foreign Trade showed investment interest at a meeting with the members of Chittagong Chamber of Commerce and Industry (CCCI) here yesterday.

Focusing on the recent trade scenario between the two countries, CCCI President Saifuzzaman Chowdhury said there still exists a huge trade deficit which needs to be reduced to strengthen ties between Bangladesh and Taiwan.

"In 2001-2002, Bangladesh imported goods worth US\$ 312 million while Taiwan imported goods to the tune of US\$ 13 million only," the chamber president mentioned and urged the delegation to invest in textile, leather and leather-products, light engineer-

ing, electronics, plastic goods, fishery and food processing sectors as these are quite prospective sectors here.

The Taiwanese team leader Fu Sheng Chen said different bodies in Taiwan are willing to work and increase investment in Bangladesh.

CCCI Senior Vice-president SM Nurul Haq urged the delegation to set up backward linkage industries for ready-made garments. A delegation of CCCI will soon visit Taiwan to woo investment, he added.

Yuan won't rise sharply: China

REUTERS, Beijing

A sharp appreciation of China's yuan is unlikely and the currency will be kept in a small range as the country gradually implements a more flexible exchange rate, China's foreign exchange chief said on Saturday.

In remarks that gave the clearest sign so far of the degree of currency movement China is planning, Guo Shuqing, director of the State Administration of Foreign Exchange, ruled out allowing the

yuan to freely float. "Sharp appreciation of the yuan is unlikely," Guo told reporters on the sidelines of a parliamentary meeting.

"It is impossible for us to have a free-floating exchange rate," he said. "A free-floating exchange rate will bring serious consequences."

But Guo said China had done much groundwork for reform of the exchange rate system, which now holds the yuan in a tiny range of 8.276 to 8.28 per dollar.

Guo did not elaborate on how or

when China would reform the currency but his comments, made on the sidelines of an annual meeting of a parliamentary advisory body of which he is a member, were the strongest indication so far that the first step would be small.

Earlier, state media quoted Guo as saying China planned to gradually make the exchange rate more flexible, a stance long held by Beijing as it has fended off demands from the United States and other countries to let the yuan rise in value.

Prime Bank, Placid NK Corp sign deal on remittance

Expatriate Bangladeshis in the US now can send their money to home through Prime Bank Ltd.

An agreement to this effect was signed between the bank and Placid NK Corporation, USA on Monday in Dhaka, says a press release.

M Shahjahan Bhuiyan, managing director of Prime Bank Ltd, and AMM Farhad, regional director, South Asia, Placid NK Corporation, USA, signed the deal on behalf of their organisations.

Acme celebrates golden jubilee, holds annual sales confce

The Acme Laboratories Ltd, a drug manufacturing company, celebrated its golden jubilee and held annual sales and marketing conference on Wednesday in Dhaka.

Md Nasir-Ur-Rahman Sinha, chairman of the company, JR Sinha, Afzalur Rahman Sinha, deputy managing directors, Hasibur Rahman, Md Dabir Uddin, Saber Reza Karim, executive directors, Rezaur Rahman Sinha, Tanveer Sinha, Sabrina Sinha, Motiur Rahman Sinha, directors, were also present at the function, says a press release.

IMF okays emergency aid to Lanka, Maldives

REUTERS, Washington

The International Monetary Fund approved immediate emergency funds for Sri Lanka and the Maldives in the wake of last December's tsunami.

The IMF board said in separate announcements that it agreed to disburse \$157.5 million to Sri Lanka and \$6.3 million to the Maldives to help the South Asian nations recover from the Dec. 26 natural disaster.

The IMF said replacing Sri Lanka's damaged infrastructure would cost between \$1.5 billion and \$1.6 billion, or 7.5 per cent of the country's gross domestic product. In the Maldives island chain, the fund estimated total reconstruction costs at almost 50 per cent of GDP.