

## BB asks NCBs to recover Tk 992cr bad loan by Dec

REJAUL KARIM BYRON

Bangladesh Bank has set a target of recovering Tk 992 crore default loans for the four nationalised commercial banks (NCBs), including Tk 232 crore from their top 20 defaulters by December this year.

Of the total amount, the central bank has set a Tk 454 crore target for Sonali Bank, including Tk 154 crore from its top 20 defaulters and a Tk 268 crore for Agrani Bank with Tk 18 crore from its top 20 defaulters, sources said.

The target for Janata Bank has been set at Tk 175 crore including Tk 25 crore from its top 20 defaulters and for Rupali Bank at Tk 95 crore with Tk 35 crore from its top 20 defaulters.

The central bank first signed a memorandum of understanding (MoU) with the NCBs for one year to

improve their performance back in 2003 and extended it in 2004.

The MoU also asked the banks to reduce their default loans and recover, especially from the top 20 defaulters. The NCBs failed to reduce their operating expenses and control credit growth as per the MoU.

The banks, however, made some progress in increasing the recovery of default loans but could not make any major breakthroughs as the government itself represents 50 percent of the top loan defaulters.

According to the MoU signed again this year, bad loan recovery cell will be set up at the regional levels and recovery target will be set for each cell. Credit flow will be restricted to saturated sectors and operating expenses for 2005 will be reduced by five percent from the level of 2004.

Growth of total outstanding loans and advances in 2005 will be limited

to five percent of the outstanding amount and it will be inclusive of loan write off. In order to avoid concentration of large loans, the bank's exposure to a single client or group will not exceed five percent of the bank's paid-up capital, according to the MoU.

But these will not be applicable to the cases of the funded and non-funded facilities favouring government organisations against which government guarantees exist and loans extended under agricultural credit targets fixed by the government for the banks and loans given to the non-bank financial institutions (NBFIs) licensed by the BB.

Rupali Bank has a total of Tk 772 crore default loan and top defaulters earlier owed it Tk 551 crore. It succeeded in recovering only Tk 2.78 crore from these top defaulters and Tk 56 crore from the rest of the

defaulters.

Bank sources said out of the Tk 551 crore due from the top defaulters, Tk 277 crore is held by different government entities and the government is not paying it.

Janata Bank has a total of Tk 2,199 crore default loan, of which top defaulters are holding Tk 513 crore. The bank recovered Tk 9.31 crore from the top ones and regularised Tk 128 crore of their loan. The bank recovered Tk 184 crore from general defaulters.

Agrani Bank has Tk 2,692 crore default loan, of which top defaulters held Tk 638 crore. The bank recovered Tk 102 crore from the top ones.

Sonali Bank has Tk 4,958 crore default loan with top defaulters holding Tk 1,555 crore. The bank could recover only Tk 41 lakh from the top ones.

## DHL Bangladesh holds mid-year meeting of Operations Dept

DHL Express Bangladesh held its mid-year meeting of the Operations Department recently in Tangail with the theme 'Go beyond stops and be dominant in the competitive market'.

The daylong meeting included discussion sessions, team building exercises and group presentation sessions covering different issues of Bangladesh Operations, says a press release.

DHL Bangladesh Operations Manager Stanford Tabarias made a presentation on achievements of 2004 and the strategic plan of the department for 2005.

Desmond Quiah, country manager of DHL Express Bangladesh, emphasised the importance of the Operations Department in ensuring the maximum level of customer satisfaction by providing unparalleled service to the customers.

## Square launches cook contest

Shera Radhuni to get 20 bhoi of gold

STAR BUSINESS REPORT

In a bid to popularise traditional regional food and encourage creativity in culinary, Square Consumer Products Ltd has recently launched a nationwide cook competition.

The competition titled 'Shera Radhuni 1412' is open for all Bangladeshis aged over 18 years, organisers said.

The contest will be held in two categories - creative and traditional/regional dishes. For the primary selection, participants will have to send their recipe of dishes that could be served to six persons. One contestant can send one entry in each category.

The recipe should be sent to the organisers by post between May 26 and July 10, 2005.

"We have divided the whole country into 21 separate zones considering location, food habit, cultural affinity and weather. We will organise local level competitions in every zone and two winners, one from each category, will be awarded zonal Shera Radhuni and they will qualify for the final cook contest in Dhaka," said Anjan Chowdhury, managing director of Square Consumer Products, at a press conference in Dhaka recently.

The winner of 'Shera Radhuni 1412' will get a 20 bhoi of gold. The second winners (two persons) will get Tk 50,000 each and third winners (two persons) will also get Tk 25,000 each while every zonal winner will get Tk 10,000 each.

Siddiqua Kabir, a reputed cooking expert, will be the chief of jury board.

Director of Square Toiletries SK Das, Senior Marketing Manager Ashraful Haque, Operating Director of Media Com Anisur Rahman and Member of the jury board Hosna Ara, among others, were present at the press conference.

## Bourse fortune hangs on budgetary incentives

### Flat market likely to continue until budget

UNB, Dhaka

Shares at the Dhaka Stock Exchange (DSE) have been moving flat for last one week or more in absence of "economic impetus" with the investors waiting for incentives in the coming budget.

"Everybody is waiting for the budget in absence of other economic factors to stimulate the market," a market analyst told the news agency.

Requesting anonymity, the analyst said the market would continue to remain flat until the next budget to be placed in parliament on June 9.

He speculated that otherwise incentives would be announced in the budget for capital market development as the finance and planning minister ruled out requests from

market players for allowing whitening the black money for some extended period.

"People are not reacting to the market," DSE Chief Executive Officer Salahuddin Ahmed Khan said, explaining that the market liquidity was maintaining status quo for lack of factors affecting the market movement.

He said there was hardly any price sensitive information, other than Beximco that declared dividend on Thursday, after the adjustment of ex-dividend prices. Corporate attractions have also come to a halt for this year causing the index curb to move flat for the last week.

Shares at the DSE were traded with very marginal ups and down last week - less than 10 points - in the all share price index (DSI).

The CEO said the stock exchanges have requested the government for some incentives, mainly to widen the corporate tax gap between the listed and non-listed companies, so that the listed companies could offer more dividends to the shareholders.

Imposition of some tax on the earnings from government bonds would also help push investors to the capital market, he added.

On allowing undeclared money into the capital market, he said a "misperception" has been generated in the market with the disapproval of the request for allowing black money, but it is now removed. There will have some incentives in the budget.

## Pubali Bank inks loan recovery deal

Pubali Bank Ltd has signed an agreement with Multi Promotional Services Ltd for recovery of classified loan.

M Rafiqul Islam, deputy managing director of the bank, and AT Ahmedul Hoque Chowdhury, managing director of Multi Promotional Services, signed the deal on behalf of their organisations recently in Dhaka, says a press release.

Other senior officials from both the sides were also present at the signing ceremony.

## Prime Bank, Commercial Bank of Ceylon sign accord

Prime Bank Ltd and Commercial Bank of Ceylon Ltd (CBCL) have signed a correspondent banking agreement regarding collection and disbursement of cash and cheques on Monday in Dhaka.

Under the accord, Prime Bank branches will encash Demand Drafts issued by CBCL branches and also issue Pay Order and TT. The deal will also facilitate CBCL clients to deposit cash or cheques through the branches of Prime Bank in Bangladesh.

M Shahjahan Bhuiyan, managing director of Prime Bank, and S Renganathan, country manager of CBCL, signed the deal on behalf of their organisations, says a press release.

## Consumers, grocers stock up essentials fearing price-hike

UNB, Dhaka

Already under pressure from rising prices, city dwellers, especially the middle and lower middle class, have started to stock essential items fearing another price-hike after the next budget.

While visiting different residential areas in the capital, including Green Road, Magbazar, Shahjahanpur, Khilgaon, Uttara, old Dhaka, Jatrabari, Demra, Basabo and Karwan Bazar, grocers were also seen busy piling up stocks of essentials.

Rice, pulses, onion, potato, soybean oil, mustard oil, flour, sugar and spices are on top of the list of

such stockpiles.

City people have experienced a fresh price-hike recently as the government announced the new pay scale for the public service holders.

"We are already suffering much due to pay scale announcement and another price-hike is almost mandatory with the announcement of budget," said Nesar Ahmed, an employee of a private bank.

He said after withdrawing his salary on June 1, he bought 150 kgs of rice whereas his monthly need is 60 kgs for his five-member family.

"I stored rice first because it is a top priority, tomorrow (Saturday) I will buy onion, soybean oil and flour

to last for at least two months," he said.

Mohammad Liakat Ali, owner of a grocery at North Shahjahanpur, said his sale grew much higher in the last few days compared to any time of the year except the Ramadan season.

Recalling the past, Golam Kuddus of Jatrabari kitchen market said prices of essentials, including rice, poultry birds, pulses, onion, potato, soybean oil, mustard oil, flour and spices, also shot up immediately after the budget was announced last year.



Anjan Chowdhury, managing director of Square Consumer Products, speaks at a press conference in Dhaka recently to announce a nationwide cook competition titled 'Shera Radhuni 1412'.

## India begins anti-dumping probe into China silk import

PALLAB BHATTACHARYA, New Delhi

India has begun anti-dumping probe into import of silk from China but exporters fear the move might mar the prospects of value added silk exports from India.

The Directorate General of Anti-dumping and Allied Duties (DGAD) observed that there was "prima facie" evidence to show casual link between the dumped imports of silk fabrics from China of the weight of 20-100 gm per metre and injury caused to the Indian industry.

It pointed out that parameters like significant fall in production, closure of several power looms, decline in sales, drop in employment, loss of market share, decline in profitability and losses to the domestic industry prima facie indicated that it had suffered "material injury" due to dumping.

Silk fabric is manufactured in India in both power looms and handlooms but the anti-dumping investigation only for the former has been chosen. The investigation period is from April 1, 2003 to September 30, 2004.

State-owned Central Silk Board, and Mysore Power Loom Silk Manufacturers' Cooperative Society and some other weavers' groups made the complaints about dumping of Chinese silk.

However, Silk Garment Exporters' Association has expressed the fear that initiation of

anti-dumping probe could threaten prospects of value addition in silk exports from India and encourage smuggling from China.

"There is a shortage of satin silk fabric in the country which is one of the main fabrics used for value added exports. The quality of Indian chiffon and georgette are inferior compared to the Chinese silk. So, any move to impose anti-dumping duty on Chinese silk imports would be counter-productive," association patrol P Samuel Jacob said.

India is dependent on China for raw materials. In the global silk trade, India ranks two after China, which controls 90 percent of the more than \$2.5 billion market. India needs nearly 30,000 tonnes of silk for value added exports while domestic silk production is estimated to be just 15,000 tonnes, according to industry sources.

Exporters view that the government should help silk producers and weavers to improve the quality of their products and help face a competitive environment rather than giving them protection.

Samuel said China may not only capture Indian export markets if prices of Indian silk exports goes up due to increase in domestic raw materials "but even beat us in our own turf unless we remain competitive".



M Wahidul Haq (2-R), chairman of Bangladesh Tea Association, and Mohammad Altaf (3-L), chairman of Pakistan Tea Association, exchange documents after signing a memorandum of understanding (MoU) Thursday in Dhaka. The MoU is likely to help Bangladesh develop local tea industry and extend market into Pakistan.