

Star BUSINESS

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Credible polls to bring back stability for sustained growth Says ICC-B

STAR BUSINESS REPORT

International Chamber of Commerce-Bangladesh has suggested that holding a free, fair and credible election will bring back much needed stability in the country for sustained growth and prosperity.

The chamber in its latest news bulletin appreciated the government initiatives for restoring political stability, streamlining the administration and bringing the corrupt politicians and their cronies into task.

They, however, opined that drive against corruption should continue without creating unnecessary panic among the businesses.

The ICC-B extended support to the suggestions made by the business leaders when they recently met the chief adviser and the finance adviser, which included reforms in the National Board of Revenue, strengthening the country's trade negotiations capacity and development of the capital market in the interest of accelerating the country's growth momentum.

The bulletin mentioned that the Asian Development Bank in its annual development outlook has revised its earlier forecast of 7 percent growth to 6.5 percent for Bangladesh, while the Bangladesh Bank estimated that it might reach up to 7 percent in FY 2007.

The editorial remarked that there are no reasons now for Bangladesh not to post higher GDP (gross domestic product) in the backdrop of the peaceful condition that has been created after the January change-over.

It also praised government's recent decision of reconstituting the Anti-Corruption Commission (ACC), separation of judiciary, the anti-hoarding policy, improving power generation and Chittagong port operation.

The chamber in its news bulletin expressed concern over empowering the ACC to arrest suspects and freeze their assets without any court order under a non-bailable section.

"The proposed new provision of law can be used as a tool for harassment. If within the 'emergency period' such a provision cannot be dispensed with, then its implementation should at least be made contingent upon 'approval of all the commissioners of the ACC', the ICC-B in its bulletin said.

It said "Despite political upheavals and various other shortcomings, Bangladesh economy has been achieving a 5.5 per cent growth year after year, with the GDP reaching to 6.7 per cent in the FY 2005-06. It is evident that the economy is on a right track mainly due to resilience of the private sector. As a result, living standard has improved with a steady growth in employment."

It concluded that the country is in the process of integrating itself with the world economy and will continue to do so irrespective of changes at the domestic front.

Govt to recruit new MDs of Sonali, Janata banks thru' competitive process

3 state-run financial institutions get new MDs

REJAUL KARIM BYRON

The government is going to appoint new managing directors of Sonali Bank and Janata Bank through competitive process.

Sources said the finance ministry will seek applications from candidates next week. Experienced bankers from both private and public banks will be eligible to apply for the top job of the state-run banks.

"Monthly gross salary of an MD will be at least Tk 6 lakh," said a source.

Meanwhile, three state-run financial institutions yesterday got new managing directors and four institutions got new deputy managing directors.

However, the government did not appoint any managing director

for the Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank. Sources said the current managing directors of the Sonali Bank and the Janata Bank may be transferred to the two specialised banks.

The government has corporatised three nationalised commercial banks recently as part of a World Bank recipe.

Under a separate scheme, when the term of Syed Naser Bakhtair, managing director of Agrani Bank, ends by the end of this year, the new appointment for the top job of the state-run bank will be made through competitive process, the sources said.

Bangladesh Shilpa Bank Managing Director Moktar Hossain was made the MD of Janata Bank while Sonali Bank Deputy Managing Director (DMD) Md

Amanullah was promoted to the post of MD of Bangladesh Shilpa Bank.

Agrani Bank DMD FRM Hafizul Islam was also made MD of Bangladesh Shilpa Rin Sangstha. Besides, House Building Finance Corporation General Manager (GM) Raihana Anisa Usuf Ali was made DMD of Sonali Bank while Agrani Bank GM Khandokar Sabera Islam was made DMD of the same bank.

Agrani Bank GM Syed Abdul Hamid was made DMD of the bank while Janata Bank GM Zoinal Abedin made DMD of Rupali Bank and Bangladesh Krishi Bank GM Zaglul Karim was promoted to the post of DMD of Rajshahi Krishi Unnayan Bank.

Benapole port to remain open on Saturdays

A CORRESPONDENT, Benapole

Benapole Customs and Port authority yesterday decided to keep the customs and port open on Saturdays for quick offloading of imported rice, lentil and different food items.

With reaching such a decision, a long-felt demand of the importers has been met, according to the business circle.

An order with regard to the decision would be issued on April 21 next for its execution.

Tk 300cr syndicated loan for Warid Telecom

Warid Telecom International Ltd has signed a security sharing agreement with 22 local lenders who participated in a syndicated deal for Tk 300 crore arranged by Industrial & Infrastructure Development Finance Company (IIDFC) Ltd, a financial institution.

The signing ceremony was held in Dhaka on Wednesday, says a press release.

On behalf of the local lenders Mahmood Malik, managing director of IIDFC Ltd, Syed Anisul Huq, MD of Bank Asia Ltd, Dilwar H Choudhury, MD (current charge) of The City Bank Ltd, Md Yeasin Ali, MD of Dutch-Bangla Bank Ltd, Md Nurul Amin, MD of National Credit and Commerce Bank Ltd, Abu Haniff Khan, MD of Premier Bank Ltd, Hamidul Huq, MD of United Commercial Bank Ltd, Mashiur Rahman, MD of IFIC Bank Ltd, Anis A Khan, MD of IDLC of Bangladesh Ltd, a financial institution, Musharraf Hossain, MD of Mutual Trust Bank Ltd, Md Motior Rahman, deputy managing director of Jamuna Bank Ltd, Shaikh Abdul Aziz, DMD of Uttara Bank Ltd, Md Niaz Habib and AKM Kamaluddin, DMD of United Commercial Bank Ltd, and senior officials from other participating lenders signed the agreement.

Muneer Farooqui, chief executive officer of Warid Telecom International, signed the deal on behalf of the company while other senior officials of his company were present.

China's FDI on the rise

AFP, Beijing

Foreign direct investment into China in the first quarter of the year totalled 15.9 billion dollars, a rise of 11.6 percent from the same period a year earlier, the government said Thursday.

Hong Kong, the British Virgin Islands -- where many Chinese companies register for tax purposes -- and Japan were the top three sources of foreign direct investment, the commerce ministry said.

Last year actual foreign investment in China was 69.5 billion dollars, down 4.1 percent from 2005.

If the financial sector were to be excluded, the figure totalled 63 billion dollars, a rise of 4.5 percent.

WB to release \$300m dev support credit by June

Progress in reforms in power, financial sectors lauded

STAR BUSINESS REPORT

Bangladesh will receive \$300 million credit under the World Bank's budgetary aid package by June following the government's progress in reforming the power and financial sectors and reconstitution of the Anti-Corruption Commission (ACC).

"We are happy with the overall actions of the last couple of months, which is an indication that reform process is moving forward," Vinaya Swaroop, lead economist of the World Bank (WB) Dhaka office, told reporters yesterday at a briefing on the fourth instalment of Development Support Credit (DSC) for Bangladesh.

WB Acting Country Director Kaiser Khan, Senior Economist Zahid Hussain and Senior Financial Analyst Raihan Elahi were present.

Of the credit, \$200 million will be given as the fourth DSC instalment and the rest as a budget support for the education sector.

The aid, supposed to be disbursed in August-September in 2006, was suspended due to unmet

conditions that include corporatisation of nationalised commercial banks, combating corruption and some reforms in power sector.

The proposal for the \$200 million credit is likely to be presented to the WB Board on May 29 for approval. "If the board gives nod, the loans will be available to the government sometime in June, 2007," Swaroop said.

Apart from the \$200 million DSC, the bank is providing \$100 million as budget support to improve quality and carry out reforms in the education sector, WB Acting Country Director Kaiser Khan said. "We will start negotiation soon and the money will be available before the end of the current fiscal," he added.

Responding to a question about the ACC, Swaroop said the WB is ready to provide technical support to make the anti-graft body stronger, if the government and commission ask for it.

Raihan Elahi said increasing power generation and distributing it properly as well as decreasing losses in the power sector were the

two main suggestions from the WB.

"The government has prepared a least cost generation action plan for the power sector, which is now in the approval stage," he said, adding that at the same time the government is preparing for financing the action plan.

On Independent Power Plant (IPP), he said the past government initiated to give work order for the IPP and there were a number of tender and re-tender for the job. But ultimately, no one was awarded the work due to lack of transparency and competitiveness, Elahi noted.

Another WB condition for the power sector was to prepare a financial restructuring plan for it, which the government had prepared already, the WB financial expert said. "Some work have already begun on the basis of the plan and due to this, the financial condition of the Power Development Board (PDB) has marked an improvement recently," he added.

Release Tk 700cr cash incentive immediately

Knitwear manufacturers urge govt

STAR BUSINESS REPORT

Knitwear manufacturers yesterday once again urged the government to release the due cash incentive worth Tk 700 crore for knit industry immediately.

The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) in a statement said the government is yet to release the amount despite the assurances from the chief adviser and finance adviser.

Many knit factories are facing financial crisis because of the non-payment of the incentives, the statement added.

The knit factories also need the money when the pressure is mounting to set up effluent treatment plants for dyeing units. An effluent treatment plant costs between Tk 1 crore and Tk 1.5 crore.

Moreover, the manufacturers are also facing financial crisis due to the price hike of raw materials and other accessories and rise in workers' salary, the BKMEA said.

Meanwhile, reiterating the demand for continuation of cash incentive, the knitwear manufacturers have also urged the government to provide them with 10 percent cash incentive to face competition in the international market. The existing provision of 5 percent cash incentive is scheduled to end from July.

They made the plea when a BKMEA delegation yesterday met the chairman of the National Board of Revenue to submit budget proposals.

The BKMEA said Bangladesh's main competitors in India, Pakistan and China are receiving cash incentives and assistance in different

forms from their governments.

With such advantages, manufacturers in India, China and Pakistan are dominating the international market.

Besides, in Bangladesh production cost is higher than that in India

and Pakistan, as Bangladesh has to outsource raw materials and machineries, the proposals said adding that the knit sub-sector is also facing problems due to recent price hike of gas and electricity.



Senior officials of Warid Telecom International Ltd, Industrial & Infrastructure Development Finance Company Ltd and other participating banks and financial institutions pose for photographs at a security sharing agreement on Wednesday in Dhaka. Under the deal, Warid Telecom has been provided with a Tk 300 crore syndicated loan.