

Implement Basel-II to cut banking risks

Speakers say at WB-Citi seminar

STAR BUSINESS REPORT

Now it is the right time for Bangladesh to implement the standards of Basel-II for minimising risks in the banking sector, said Adviser to the Prime Minister on Economic Affairs Dr Mashur Rahman yesterday.

Implementing Basel-II will help reduce the internal risks of banks in the time of global financial meltdown, he said. "The standards of Basel-II will also help identify the risky lending areas," Mashur said.

Basel-II is the second of the Basel Accords, which are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision.

The purpose of Basel-II, initially published in June 2004, is to create an international standard that banking regulators can use while creating rules about how much capital banks need to put aside to guard against financial and operational risks banks face.

Mashur was speaking at a seminar on "Basel-II and its Implications for Bank Capital Raising" at Sonargaon Hotel in the city as chief guest.

The World Bank and Citi Bangladesh jointly organised the daylong seminar, which was attended by a good number of managing directors, chief executive officers and high-ups from different public and private banks and financial institutions.

At the inaugural session

of the seminar Xian Zhu, WB country director in Bangladesh, said compared to Basel-I the scope of application in Basel-II is broader and includes on a fully consolidated basis all major internationally active banks at every tier within a banking group, as well as at the level of the group's holding company.

"Supervisors also need to ensure that individual banks within the group remain adequately capitalised on a stand-alone basis. Significant minority investments, where control does not exist, as determined by national accounting and/or regulatory practices, would either be deducted from equity or consolidated on a pro-rata basis," Zhu said.

"I would like to emphasise that the challenges of implementing Basel-II are heightened in turbulent financial markets, and this transition must be managed carefully to mitigate any unintended effects," he said.

The WB official said the Basel-I capital accord, published in 1983, represented a major breakthrough in the international convergence of supervisory regulations concerning capital adequacy.

Although the Basel-I framework helped 'level the playing field' and stabilise the declining trend in banks' solvency ratios, it suffered from several problems that became increasingly evident over time, he added.

Daniel McNamara, Citi's

co-head of Investment Banking for the Asia Pacific, said: "Citi is humbled to be a part of such an important initiative and we are committed to the mobilisation of our global resources to facilitate transition of the banking sector of Bangladesh into Basel-II."

Mamun Rashid, Citi country officer in Bangladesh, said implementation of Basel-II is needed for a better and transparent tomorrow.

"If we can implement the standards of Basel-II in the banking sector, we will get a more accountable Bangladesh," he said.

Faruk Ahmad Siddiqi, chairman of the Securities and Exchange Commission, among others, spoke at the seminar.



Mamun Rashid, Citi country officer in Bangladesh, speaks at a seminar on Basel-II and its Implications for Bank Capital Raising in Dhaka yesterday. Faruk Ahmad Siddiqi, chairman of Securities and Exchange Commission, Dr Mashur Rahman, adviser to the prime minister on economic affairs, Xian Zhu, World Bank country director, and Daniel McNamara, Citi's co-head of Investment Banking for the Asia Pacific, were also present.

Asia shares fall

AFP, Hong Kong

Asian share prices fell Monday after Japan said its economy suffered its worst contraction in almost 35 years and G7 finance ministers warned the global turmoil was far from over.

Tokyo was down 0.38 percent after official data showed the economy shrank at an annualised pace of 12.7 percent in the three months to December, the worst performance since the 1970s oil crisis.

"We don't expect the global economy to rebound quickly. Instead, we expect it to continue deteriorating this year before slowly recovering," Jose Vistan of AB Capital Securities in Manila told Dow Jones newswires.

Sydney fell 1.2 percent in response to weakness in the resources sector while Hong Kong ended down 0.7 percent, led by falls in banking stocks ahead of annual results.

Singapore was down 1.3 percent, Seoul slid 1.4 percent amid growing jitters about US bank earnings and Manila was 0.2 percent lower.

Mumbai fell 3.42 percent after the government's pre-election mini-budget failed to boost investor sentiment.

Wellington was down 2.5 percent after a profit warning from key manufacturer Fisher & Paykel.

Going against the trend, Shanghai rose 2.96 percent, led by securities firms, which were riding high after last week's rally boosted trading volumes.

Investors across Asia were waiting anxiously to see how US markets would react to Congressional approval of a 787-billion-dollar economic stimulus package, with the sensitive "Buy American" clause toned down.

At a weekend meeting in Rome, the Group of Seven major economies called for "urgent reforms" of the international financial system and reiterated a bleak outlook for the world economy, after fresh data showed the eurozone recession deepening.

Philippine 2008 remittances hit \$16.4b

AFP, Manila

Despite the global financial crisis, remittances from Filipinos working abroad in 2008 beat expectations to rise by 13.7 percent compared to the previous year, the central bank said Monday.

Workers sent home 16.4 billion dollars last year, a figure that exceeded the central bank's target of 16.3 billion dollars.

For the month of December remittances hit 1.4 billion dollars, an increase of 0.8 percent over the same period in 2007, the central bank said in a statement.

The major sources of remittances in 2008 were the United States, Saudi Arabia, Canada, the United Kingdom, Italy, the United Arab Emirates and Japan.



Economist Prof Wahiduddin Mahmud speaks at a seminar on 'Market volatility, vulnerability and food security in Bangladesh: Strategic choices and policy options' in Dhaka yesterday. (Story on page 16)

Govt food grains stocks reach over 12 tonnes

ABDULLAH AL MAHMUD, Ctg

The government food grains stocks reached 12.64 lakh tonnes, including 11.25 lakh tonnes of rice and 1.39 lakh tonnes of wheat, as of February 12, 2009, which is about 6.33 lakh tonnes higher than the corresponding period of the previous fiscal year (FY).

Observers say a satisfactory level of production and internal procurement may help the government develop sufficient food grain stocks, which will strengthen food security measures to fight probable crisis at any emergency moment.

The stock of food grains made over the first seven months of the previous FY stood at 6.31 lakh tonnes, including 4.16 lakh tonnes of rice and 2.14 lakh tonnes of wheat, according to statistics from the Department of Food. The data was presented before Food Minister Abdur Razzak at a meeting in Chittagong on Saturday.

Stock of food grains was 9.03 lakh tonnes at the beginning of FY 2008-2009, including 7.82 lakh tonnes of rice and 1.21 lakh tonnes of wheat, the data showed.

Bumper production of boro rice in FY 2007-2008 contributed to the satisfactory food stock, according to statistics presented by the Department of Agriculture (DoA) and the Bangladesh Bureau of Statistics (BBS).

During FY 2007-2008, the country produced 177.62 lakh tonnes of boro rice, which was 27.97 lakh tonnes higher than the previous year.

It helped achieve a total production of 289.31 lakh tonnes of rice, 16.13 lakh tonnes more than the previous year. However, the

targets for the production of Aush and Aman could not be met in FY2007-2008.

Aman production stood at 96.62 lakh tonnes against a target of 130.45 lakh tonnes, while Aush production stood at 15.06 lakh tonnes against a target of 22.15 lakh tonnes in the last FY.

The production and sufficient supply of grains into the local market significantly helped reduce imports, particularly that of rice. About 14.44 lakh tonnes food grains, including only 1.95 lakh tonnes of rice, was imported by both the government and private sector as of January 31, 2009, said sources from the Department of Food in Chittagong.

Imports in the corresponding period of the last FY amounted to 21.49 lakh tonnes.

Production targets for rice have been fixed at 333.32 lakh tonnes and 10 lakh tonnes for wheat this fiscal year, showed DoA and BBS statistics.

Encouraged by last year's production, government subsidy on fertilisers and diesel price-cuts, about 4.43 lakh hectares of land has already been brought under wheat cultivation against a target of 4 lakh hectares. At the same time, boro has already been cultivated on 29.46 lakh hectares, comprising of 63 percent of the targeted 46.75 hectares in the last seven months.

As such, the downward trends in the prices of both rice and wheat continued. The retail market prices of rice stood at Tk 24.80 per kilogram and Tk 17.93 per kilogram for wheat in January 2009.

The rice was selling at Tk 26.29 a kg and wheat at Tk 21.20 in December 2008.

Vietnam's financial sector stable

ANN/VIETNAM NEWS

The domestic financial market has been kept stable over the first month of the year, while deposit and lending interest rates have both decreased.

Independent market watchdogs said that the domestic market was still running rather smoothly, with supply and demand of foreign currencies ensured. And this was in spite of the local market being affected by complications in the global financial market, they added.

The exchange rate in credit organisation transactions has already reached a ceiling. Meanwhile, the exchange rate between the US dollar and the Vietnamese dong on the free market was between VND150 216 higher than the rates offered by commercial banks.

Malaysia expects drop in tourists from Bangladesh

STAR BUSINESS REPORT

Malaysia expects a 38 percent fall in the tourist flow from Bangladesh to 30,000 arrivals in 2009 as many may cut their travels plans in the global financial crisis.

The country has also slashed its global tourist arrival forecasts for the current year. "We have revised our target in the wake of the global financial crisis. Our revised target is more realistic considering the situation," said Manoharan, director of Tourism Malaysia, at a press conference at Sonargaon Hotel in Dhaka yesterday.

The press conference was organised as part of Tourism Malaysia's marketing campaign to attract leisure travellers from Bangladesh.

Zulkefli Sharif, director of Tourism Malaysia for South Asia, West Africa and Africa Division, was also present at the programme. He also leads the sales mission, comprising 12 tour operators, one hotelier and two other tourism-related organisations.

Malaysia Tourism, the national agency for promoting the Southeast Asian country to tourists, set the target after the country received 49,000 Bangladeshi tourists in 2008. The majority of them were leisure travellers.

"The 2009 target for arrivals from Bangladesh is 30,000 tourists. Globally, we aim to achieve arrivals of 20 million by the end of the current year," said Zulkefli Sharif.

In 2008, Malaysia received about 22 million tourists, up 5 percent from a year ago.

Malaysia Tourism made a downward revision of expected tourist arrivals as the current global financial crisis darkened the prospect for international tourism.

The UN World Tourism Organisation has recently said global tourism could decline by up to 2 percent in 2009 amid the financial crisis as the Americas and Europe will be the most-affected regions.

Tourist arrivals worldwide rose 2 percent to 924 million in 2008 from a year ago, according to the UN agency.

The organisation however expects positive results for the Asia-Pacific region.

Malaysia Tourism however said it wants to boost travel demand through its campaign mainly in the regional market.

"In any crisis, only the regional market can survive," said Manoharan, referring to Malaysia's focus on domestic tourism during the financial market debacle in the mid-1990s in the Southeast Asian region.

"We know times are hard. But we are going to offer very attractive offers to attract tourists."



British High Commissioner Stephen Evans (L) calls on Commerce Minister Faruk Khan at the latter's office in Dhaka yesterday.

Dollar mixed

AFP, London

The dollar gained against the euro on Monday but dipped against the yen as the market digested a meeting of key finance ministers at the weekend, analysts said.

The yen shrugged off official data showing that Japan, Asia's biggest economy, suffered its worst contraction for almost 35 years in the fourth quarter, shrinking at an annualised pace of 12.7 percent.

In late morning trading, the European single currency slipped to 1.2765 dollars from 1.2856 dollars

in New York late on Friday. Against the Japanese currency, the dollar eased to 91.90 yen from 92.01 yen on Friday.

"This weekend's G7 meeting was long on rhetoric and short on action," said Calyon analyst Mitul Kotecha.

"Although officials appeared keen to show that they meant business there was no new plans or measures announced. "Concerns about protectionism were expressed as expected but ultimately the language in the communique was relatively benign."



Anwarul Huq, chairman of Industrial Development Leasing Company (IDLC) Finance Ltd, inaugurates the new branches of IDLC Finance Ltd and IDLC Securities Ltd in Sylhet on Sunday.

Government of the People's Republic of Bangladesh

Bangladesh Bureau of Statistics
Optical Data Archive and Networking Project
Parishankhyan Bhaban
E-27/A, Agargaon, Dhaka-1207
No. BBS/ODAN/midrange server/collect-58-admin-462 Date: 10-02-2009

Invitation for Tenders

Government of the People's Republic of Bangladesh

1	Ministry/Division	Ministry of Planning/Planning Division.
2	Agency	Bangladesh Bureau of Statistics.
3	Procuring entity name	Project Director, Optical Data Archive and Networking Project.
4	Procuring entity code	Not applicable.
5	Procuring entity district	Dhaka.
6	Invitation for	Supply, Installation & Commissioning of Mid-range Server, Red Hat LINUX Enterprise Server Operating System (OS) and On-line UPS.
7	Invitation Ref No.	No. BBS/ODAN/midrange server/collect-58-admin-462
8	Date	10-02-2009.
KEY INFORMATION		
9	Procurement method	Open tendering method OTM
FUNDING INFORMATION		
10	Budget and source of funds	130.00 lac Development Budget (GOB)
11	Development partners (if applicable)	Not applicable
PARTICULAR INFORMATION		
12	Project/programme code (if applicable)	S110
13	Project/programme name (if applicable)	Optical Data Archive and Networking Project.
14	Tender package no.	GD4
15	Tender package name	Supply, Installation & Commissioning of Midrange Server, Red Hat LINUX Enterprise Server Operating System (OS) and On-line UPS.
16	Tender publication date	Date 17-02-2009
17	Tender last selling date	19-03-2009
18	Tender closing date and time	Date 22-03-2009 Time 12:00
19	Tender opening date and time	Date 22-03-2009 Time 12:30
20	Name & address of the office(s)	Address Project Director, Optical Data Archive and Networking Project, BBS, Parishankhyan Bhaban, E-27/A, Agargaon, Sher-e-Bangla Nagar, Dhaka.
21	- Selling tender document (principal)	-Do-
21	- Receiving tender document	-Do-
21	- Opening tender document	-Do-
21	Place/date/time of Pre-tender meeting (optional)	Parishankhyan Bhaban, E-27/A, Agargaon, Sher-e-Bangla Nagar, Dhaka Date 16-03-2009 Time 11:00
INFORMATION FOR TENDERER		
22	Eligibility of tenderer	Tenderer must be eligible for individual lot.
23	Brief description of goods or works	Mid-range Server, Red Hat LINUX Enterprise Server Operating System (OS) and On-line UPS.
24	Brief description of related services	Supply, Installation & Commissioning.
25	Price of tender document (Tk)	Tk 750.00 (seven hundred fifty) only.
26	Lot No	Identification of lot Location Tender security amount (Tk) Completion times in weeks/months
26	01	Mid-range Server-1 Parishankhyan Bhaban, E-27/A, Agargaon, Sher-e-Bangla Nagar, Dhaka. 3,40,000.00 6 weeks
27	02	Red Hat LINUX Enterprise Server Operating System (OS)-1 -Do- 40,000.00 3 weeks
28	03	10 KVA Ture On-line-1, 2 KVA On-line-2 -Do- 24,000.00 3 weeks
30	Name of official inviting tender	Jatan Kumar Saha.
31	Designation of official inviting tender	Project Director, Optical Data Archive and Networking Project, BBS, Parishankhyan Bhaban, E-27/A, Agargaon, Sher-e-Bangla Nagar, Dhaka.
33	Contact details of official inviting tender	Tel. 8125290 9111064 sa2com@bbs.gov.bd
34	The procuring entity reserves the right to accept or reject all tenders.	

Directorate General of Defence Purchase

Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215
Web: www.dgdp.gov.bd
E-Mail: info@dgdp.gov.bd

Tender Notice

1. Sealed tenders are invited in foreign currency from bonafide manufacturers/dealers/suppliers/indentors (enlisted firms) for supply of the following item for Bangladesh "Army."

Ser No.	Nomenclature	Date of selling	Date of opening	Currency	Tender No.	
a.	Assault Boat and Motor (Zodiac Type) complete with standard tools & accessories, including 5% fast and slow moving spare parts. Quantity-10 Nos. (1 st time)	18-02-09	31-03-09	01-04-09	Foreign	1473/P-7
b.	Fuel Farm (2 Pumps, Tanks and/or Bladders, Pipelines, Filters) 76000 liters complete with Standard tools and accessories including 5% fast and slow moving spare parts. Quantity-02 Nos. (1 st time).	18-02-09	31-03-09	01-04-09	Foreign	1474/P-7

2. Tender schedule with details specifications/conditions will be available on payment as per I/T selling rate (not refundable) during office hour between 0800 to 1300 hours. The tender can be dropped latest by 1000 hours and opened at 1005 hours on the specified date of opening in presence of all tenderers (if present).

Major
for Director General