

South Asia shows resilience to financial crisis: Muhith

Regional accounting forum announces awards

STAR BUSINESS DESK

Finance Minister AMA Muhith has said the economic indicators of South Asian countries have been showing strong resilience in the face of tremendous pressure from the global financial crisis.

"It is now expected that the South Asia region is bouncing back to normal growth of their economies. This is essentially due to the good performance of the real economy and responsible behaviour of the financial sector," Muhith said.

The minister was speaking at the SAFA Best Published Accounts and Governance Disclosures Awards-2008 in Dhaka on Thursday.

The event was organised by the South Asian Federation of Accountants (SAFA), a regional forum of the accounting bodies in Saarc countries, with joint sponsorship from the Institute of Chartered Accountants of Bangladesh (ICAB) and the Institute of Cost and Management Accountants of Bangladesh (ICMAB), two accounting bodies.

The professional accounting bodies from India, Pakistan, Sri Lanka and Nepal and national and international dignitaries joined the occasion.

A number of banks, financial institutions, government organisations and NGOs of Bangladesh received awards at the function along with the awardees of other South Asian countries. Also,

some other Bangladeshi companies received certificates of merit.

The awardees from Bangladesh include Prime Bank Ltd, Dutch-Bangla Bank Ltd, Prime Finance and Investment Ltd, Singer Bangladesh Ltd, BRAC, BURO Bangladesh, Sajida Foundation, and Investment Corporation of Bangladesh.

Speaking as chief guest at the event, Muhith said: "SAFA member bodies have certainly great contributions particularly in the area of transparent financial reporting of the entities."

"I feel that we should acknowledge the healthy contribution of our association of chartered and cost accountants in ensuring transparent and responsible financial reporting of our financial institutions in particular."

Commerce Minister Faruk Khan said: "In the context of the present ongoing financial crises around the globe the role of chartered accountants particularly in South Asian countries was extremely important."

"Successful resource mobilisation and efficient management of the resources was the lifeline of a country's economic growth. But without the expertise of the chartered accountants it was very difficult to ensure appropriate financial management and discipline in the application of resources."

SAFA President Sheikh A Hafiz said accountants, as the guardian of financial information, must strive to ensure

that financial statements were accurate and the objective was to ensure that managers, investors and regulators could understand the true financial condition of the organisations that they manage, invest and regulate.

"The awards encourage recognition for harmonisation of best regional and global financial reporting and corporate governance practices. I sincerely hope that the award ceremony continues to achieve its intended objectives," he said.

ICAB President Nasir Uddin Ahmed said organising such awards by SAFA indicates its preference towards the enhancement of good governance, transparency in financial reporting with adequate disclosures and application of internationally accepted accounting and auditing standards in the Saarc region.

"It had a long-term positive effect on corporate reporting culture & standards in this region," he said.

"We would be able to take our financial reporting and corporate governance standards to globally acceptable level through organising this annual events among SAFA countries. Such events encourage participants to enhance quality of their annual financial reports to win this prestigious award," he added.

SAFA was formed in 1984 with an aim to harmonise the accounting profession on uniform standards and codes in the South Asian region.



AMA Muhith, finance minister, hands over the second runner-up award for the SAFA best presented accounts to Khan Tariqul Islam, chief financial officer of Dutch-Bangla Bank Ltd, at a ceremony in Dhaka on Thursday.

Turnover may rise to Tk 3,000cr by year-end, says DSE chief

BSS, Dhaka

Daily turnover on Dhaka Stock Exchange may increase to Tk 3,000 crore by year-end if the current trend of investor confidence continues, said DSE President Rakibur Rahman yesterday.

Participants of the seminar were also optimistic about a stronger and more stable capital market when they discussed a new system of raising capital through issuing primary shares.

DSE organised the seminar in the city, bringing in

stock-market stakeholders, experts and potential issuers together to discuss the potentials and the problems of book building methodology, a new system of determining the issue prices of an initial public offering.

Most participants have seen the new system as a supportive tool to ensure long-term stability and transparency in the capital market.

The DSE president was seemingly upbeat while making his opening remark before a big gathering of

capital market experts, stockbrokers, present and potential issuers, merchant bankers and high officials of the stock market watchdog.

He observed that investor confidence had got the stronger ground, shrugging off all confusion and fear.

"We used to be scared to see the index beyond 3000-mark or the daily turnover above Tk 1,000 crore. But the situation had changed and the index remained stable over 3,000 points for a while when the October average of daily turnover was Tk 1,200

crore," he said.

Rahman dismissed any confusion about the present bullish trend. "The market is on the right track," he said.

Rahman suggested the government increase the inflow of good shares to keep the trend up by balancing demand and supply of shares.

"The government does not require doing business in hospitality, aviation and other services sectors, rather it can get more return by offloading shares from such public-run organisations," the DSE president observed.



Officials of The City Bank and American Express pose with replicas of two credit cards at a function in Dhaka yesterday. The bank will issue American Express credit cards in Bangladesh.

City Bank, American Express team up over credit cards

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City Bank and American Express yesterday announced a strategic alliance and unveiled two new American Express credit cards for Bangladeshis.

The Bangladeshi bank will issue two credit cards of the American company, named American Express Gold Credit Card and American Express Credit Card.

City Bank will be responsible for all operations, including billing and accounting, customer service, credit management, charge authorisations and marketing, it said in a statement.

City Bank will also be the exclusive merchant acquirer for American Express and

plans to grow the number of locations that will accept the cards.

"The introduction of the cards with such strong privileges and benefits is nothing but a testimony to City Bank's commitment and leadership in the retail or consumer banking sphere of this market," said City Bank Chairman Aziz Al Kaiser.

"With City Bank's strong distribution network, highly professional management team and established customer base in Bangladesh, we are confident that our partnership will bring significant benefits to both parties," said Kula Kulendran, executive vice president of American Express and head of Global Network Services in Japan, Asia Pacific and Australia.

American Express Card holders will enjoy "exclusive benefits and offers", which include a complimentary return ticket from Jet Airways to Kolkata and a couple of return Mercedes-Benz coach tickets to Cox's Bazar, 6 per cent cash back on shopping at Agora supermarkets and Nandan Megashops.

The members will also have access to the global American Express Selects programme, which provides benefits and offers from thousands of retail stores, hotels and restaurants when travelling overseas.

The membership also offers an array of distinctive value-added travel benefits such as an access to more than 800,000 ATMs around the world.

"For City Bank, the alli-

ance with a prestigious global brand such as American Express is in line with our ongoing commitment to provide enhanced card payment facilities and flexibility to our customers," said Mahmood Sattar, managing director and chief executive officer of City Bank.

City Bank has 84 online branches and 5 SME centres and 300 ATM's across the country. It has strong tie-ups with major exchange companies in the Middle East, Europe, Far East and USA.

American Express Company is a leading global payments, network and travel company founded in 1850. It has now established 131 partnerships in 130 markets across the world.

Benapole trade suspended

UNB, Benapole

Export-import activities through Benapole land port remained suspended from last morning due to by-polls of Vidhan Sabha (legislative assembly) in West Bengal.

Benapole Customs Cargo Officer M Sayeed said Indian authority suspended export-import activities for the day as by-polls in 10 centres in Bangaon, adjacent to Indian Petrapole port, was held yesterday.

When contacted over phone, Assistant Commissioner of Indian Customs Birendra Pal said admitted to the suspension of port activities.

Hundreds of trucks loaded with export-import goods, including perishable items, got stranded on both sides of the border.

Fair of light engineering goods ends in Cox's Bazar

OUR CORRESPONDENT, Cox's Bazar

A two-day light engineering goods fair concluded in Cox's Bazar yesterday.

More than 26 firms took part in the show jointly organised by Bangladesh Engineering Industries Owners' Association and Light Engineering Product Business Promotion Council.

The fair was organised to let people know about Bangladeshi light engineering products.

"At present over six lakh people are involved in the sector that has around 40,000 engineering industrial units," said association President Abdur Razzak at a press conference yesterday.

There is little investment in the sector by banks and financial institutions although the sector provides goods and services worth more than Tk 20,000 crore every year, he said.

Seminar stresses RMG compliance

UNB, Dhaka

Integration and coordination between productivity and compliance are needed to have a sustainable growth in the country's prime forex earning RMG sector, speakers told a seminar in Dhaka yesterday.

Bangladesh Garment Manufacturers & Exporters Association (BGMEA) organised the seminar titled 'Productivity and Compliance: Imperative for Growth Sustainability' at a city hotel.

State Minister for Environment and Forests Dr Hasan Mahmud addressed the seminar as chief guest, while chairman of the International Leasing and Financial Services Ltd Mahbub Jamil spoke as special guest.

Senior journalist and columnist Zaglul A Chowdhury and senior specialist of Nike Inc Bangladesh Kumkum Sazia Kutubuddin also took part in the seminar.

Amit Gugnani of Technopak presented the keynote paper in the seminar chaired by BGMEA President Abdur Salam Murshed.

Amit said productivity should be linked with compliance, which will lead a factory to a win-win situation. "Compliance can be explained through various parameters such as require-

ments of the local laws."

To have a sustainable compliance, he said, there should be compliance with local labour law, wages and legal working hours, freedom of association, ban on child labour and forced labour, ban on discrimination, workplace health and safety and compliance with local environmental law.

But, one of the major shortcomings for Bangladesh is productivity as it is 40 percent compared to China's 70 percent and India's 60 percent.

Emphasising the importance of industrial engineering and social and environmental compliance to drive up productivity, China, Asian and South Asian countries would gain substantial share of the total global export by 2015, he added.

Speaking on the occasion, Dr Hasan Mahmud underscored the need for compliance for the sustainable growth of the RMG sector.

He said Bangladesh will face a severe competition with countries like China, Vietnam by 2015 and 30 percent of the total global export will be from China with other countries seeing fall in their exports.

Mahmud, however, hoped that Bangladesh's total export from the RMG sector would double if the NPDA bill (trade bill on duty

free for LDCs) gets a go-ahead in the US Congress.

He pointed to the US Labour Department's observation that there is no child and forced labour in the RMG sector in Bangladesh.

Replying to a query, he assured the industrialists of trying to lower the interest rate of ETP (Effluent Treatment Plant) loan to 5-6 percent from 9 percent.

In response to another question, the state minister said the workers, owners and the government have responsibilities to maintain social environment in this sector.

"We've already decided to set up industrial police and intelligence forces. Trade union in the RMG sector will also be allowed, but we're extra careful in allowing trade unionism as it should not be like traditional trade unions," he told the seminar.

Mahbub Jamil, former special assistant to the past caretaker government's chief adviser, emphasised increasing productivity and there should be no compliance unless the productivity improves.

Zaglul A Chowdhury said the success of this industry depends on compliance and productivity.

Kumkum Sazia emphasised green and sustainable compliance, which will reduce waste and be energy-efficient.



Aumi Azad, a Microsoft professional, speaks about the features of Windows 7, a new operating system from software giant Microsoft, at a ceremony at IDB Bhaban in the capital yesterday.



Muhammad Ali, managing director of Shahjalal Islami Bank Ltd, presides over the bank's special managers' conference 2009 in Dhaka on Friday. Md Towhidur Rahman, chairman of the bank, is also seen.