

Atiur comes down on debt write-off culture

The BB governor opposes whitening of black money

STAR BUSINESS REPORT

The culture of debt write-off should change to help accelerate the economic growth further, said the Bangladesh Bank (BB) governor yesterday.

"Farm loan disbursement and collection are increasing at the same pace, and they default less than some big industries do," said Atiur Rahman. "But I will in no way tolerate this culture of waiving default loans."

"The number of loan defaulters decreased by 3 percent in the current fiscal year, and we have strengthened monitoring to stymie any rise," he added.

Rahman was speaking at a press meet organised by Dhaka Reporters' Unity (DRU) at its auditorium in the capital, to mark the completion of his first year as the central bank chief.

"We are providing information to parliament and the government on a regular basis about the top loan defaulters," he said.

He said farmers were given the opportunity to reschedule their loans, adding that the average rate of default loan was 9.21 percent in December 2009.

In a written statement, Rahman said

the BB has set some landmarks. "It introduced an automated clearing system and electronic fund transfer system, which gave a boost to the payment system last year."

He also said foreign exchange reserve crossing the \$10 billion mark and the first-ever sovereign credit rating for Bangladesh by S&P and Moody's are major indicators of economic growth.

Rahman said BB is set to initiate a \$257-million fund under public private partnership to develop the country's infrastructure, especially for power generation.

"The funds will be added to a present project undertaken by the Investment Promotion and Financing Facility Cell of the central bank that is funded by the World Bank and meant for infrastructure development, especially power sector," he said.

At present, the project is producing 174 megawatts of power at a cost of Tk 40 crore, and the electricity is distributed among the factories in export processing zones, he added.

He said the success rate for attracting investment through public private partnership (PPP) to develop infra-

structure was not up to the mark, "which is one of the few shortfalls of the national budget for fiscal year 2009-10".

"Although the process of attracting investment under the PPP is a long-term initiative, formulation of a guideline in this regard also took one long year. However, we hope to see the result of the government initiatives taken under the budget in the coming year."

The BB governor also said the central bank will take steps to set a common rate for all microfinance institutions soon.

"We have formed a committee to work in this regard, and they will submit their report shortly. The Microfinance Regulatory Authority will fix a rational rate through a transparent process."

The governor said the upcoming budget should not keep the provision for whitening black money anymore. "This provision does not bring any big success to the economy."

He said the upcoming budget would meet the challenges of implementation. Shamim Ahmad, president of DRU, and Pathik Saha, general secretary, were also present.



US President Barack Obama shakes hands with Tamara Abed, head of Brac's retail social enterprise Aarong, in Washington DC recently.

Obama greets Tamara Abed in Washington

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US President Barack Obama greeted Tamara Abed, part of the senior management team at Brac, who served as a panellist for a session of the Presidential Summit on Entrepreneurship in Washington on April 26-27.

Mike Hammer, White House National Security Council spokesman on Presidential Summit on Entrepreneurship, said as Obama outlined in his Cairo speech nearly a year ago, the United States is keen to deepen its engagement with Muslim communities around the world and develop new partnerships based on mutual respect and mutual interests.

"Securing our children's and grandchildren's future is not only about matters of war and peace, it is also about creating economic opportunity and encouraging community involvement," he said.

Hammer said as the US and many other countries around the world have experience, entrepreneurship can unlock tremendous potential, promote education, foster innovation and create jobs.

"We appreciate the participation of talented individuals from Bangladesh, who shared their expertise and experiences with others here," he said.

President Obama cited the great work done by Dr Muhammad Yunus to help finance entrepreneurship among poorest of the poor, first throughout South Asia, and now around the world, Hammer added.

Tamara Abed joined the session on 'Unleashing the Power of Women Entrepreneurs'.

Stocks open week on negative note

STAR BUSINESS REPORT

Dhaka stocks opened the week on negative note although banking sector -- one of the major market movers -- was up by more than one percent because of hefty dividends some banks have declared.

Most stocks were under pressure led by telecommunications, pharmaceuticals, energy and power, and textile sectors, as their prices were affected mainly due to unsatisfactory earnings and the dividends they have announced.

The gain in the banking sector and other financial institutions was not enough to offset the losses in other major sectors, market insiders said.

EXIM Bank, which has recommended 35 percent stock dividend, logged the highest gain of 8.31 percent to Tk 589.25. The bank has also recommended raising its paid-up capital through issuance of rights share at 1R:2 (one right share for every two shares).

One Bank advanced 4.62 percent to Tk 543.25 following dividend declaration -- 32 percent stock dividend (32 bonus shares for every 100 shares).

AB Bank has recommended 20 percent cash dividend and 25 percent stock dividend. Following the announcement each AB Bank share rose by 1.96 percent to Tk 1,091.25.

However, IFIC Bank, which has recom-

mended 25 percent stock dividend, fell 1.38 percent to Tk 837.25, as the declaration did not match the investors' expectation.

The benchmark index of Dhaka Stock Exchange, DSE General Index, declined 23.58 points, or 0.41 percent, to 5,631.29.

Grameenphone, the only stock in the telecoms sector, slid 2.46 percent to Tk 316.70.

The fall in Bextex that declared 15 percent stock dividend was the main reason for the downturn in the textiles. Each Bextex share dropped 3.45 percent to Tk 89.30.

In the pharmaceuticals sector, Beximco Pharma suffered the deepest fall, as its dividend declaration fell short of the investors' expectation. The company has recommended 15 percent stock dividend, but its prices went down by 10.6 percent to Tk 166.

Losers beat advancers 129 to 112 on the DSE, while two securities remained unchanged.

However turnover went up 11 percent compared to the previous day. The turnover was Tk 1,547.50 crore and 4,55,54,560 shares were traded.

Chittagong stocks also marked a fall. The CSE Selective Categories Index declined 28.46 points, or 0.26 percent, to 10,701.75.

A total of 36,39,127 shares worth Tk 85.47 crore changed hands on Chittagong Stock Exchange. Of the traded issues, 67 advanced, 89 declined and four remained unchanged.



Aftab ul Islam, chairman of SME Foundation, hands over a check for Tk 2 crore to Rokia A Rahman, chairman of MIDAS, at a ceremony in Dhaka yesterday.

PM suspects 'third party' in RMG sector unrest

UNB, Dhaka

Prime Minister Sheikh Hasina has suspected that a 'third party' from within the garment sector is involved in the recent unrest and violence in the sector.

"I've already come to know about the force, the persons involved in conspiracy to create unrest in the garment sector," she told a discussion on May Day at Osmani Memorial Auditorium in the city on Friday.

The Prime Minister said some names are already in her hand and after getting all the information proper action will be taken against them.

The intelligence services, she said, are keeping close watch on every movement of the suspects wherever they go - both within and outside the country.

Hasina urged the garment factories owners to give all types of facilities to the workers they deserve.

She also asked the garment workers and trade unions to act more responsibly to maintain peace and stability in the garment sector. "I'll request workers and owners to work

with the spirit of unity. The owners must give all facilities to the workers that they deserve. On the other hand, the workers must be much more caring to their factories from which they are earning their livelihoods," she said.

The Prime Minister paid rich tribute to the memory of those labourers who 124 years back sacrificed their lives in Chicago, USA to establish workers' rights.

Disclosing some plans and projects of her government for the betterment of the labourers, she said the present government has already taken steps to amend the Labour Act 2006 to make it more labourer- and environment-friendly and to formulate a modern, time-befitting labour policy.

Hasina also said the government has already formed permanent Wages Commission, Minimum Wages Board and Labourers Welfare Foundation.

With Labour Secretary M Nurul Huda in the chair, the discussion was also addressed by Labour and Employment Minister Khandaker Mosharraf Hossain.



City Bank Chairman Aziz Al-Kaiser, third from right, and K Mahmood Sattar, managing director and chief executive officer, fourth from right, pose for photographs at the QFC - Asian Banker Leadership Achievement and Strongest Banks in Asia Awards 2010 in Singapore recently. City Bank won the Strongest Bank in Bangladesh Award and Sattar won the Leadership Achievement Award.

More car imports thru' Mongla

STAFF CORRESPONDENT, KHULNA

A consignment of 540 reconditioned cars arrived from Japan at Mongla seaport on Thursday.

Two flag bearers of Panama MV Orange Horizon and MV Cheer Leader ferried the imported cars.

The cars were unloaded from the two ships in the shortest possible time, said Director (traffic) Md Mahubullah of Mongla Port Authority. The ships left Mongla port on Friday.

With the latest consignment, the total number of reconditioned cars imported through the Mongla seaport since June last year now stands at 2,572. Eight foreign ships were used to make

the deliveries.

Mahubullah hopes that the port annual revenue earnings would increase from the import of the reconditioned cars.

Meanwhile, some steps were taken to make the port more active and effective and avoid counting losses.

The port authority reduced the charges for unloading goods from the ships from Tk 65 to Tk 30. They also purchased some machinery to ease cargo and container handling.

The government allocated Tk 10 crore to dredge the Passur River so that foreign ships could easily navigate through. The port incurred losses in

excess of Tk 51 crore since 2004, as the number of arriving foreign ships decreasing for frequent labour unrest, politicisation of administration, high-handedness of Dock Workers Management Board leaders and rampant piracy of foreign ships.

The port started recording profits since September on account of the arrival of reconditioned cars and a gradual increase in the number of fertiliser-laden ships, the port official said.

The abolition of the Dock Workers Management Board has been a positive and effective step to curb the unruly attitude of the dockworkers, he added.

CSE chief urges OIC bourses for cooperation

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Chittagong Stock Exchange (CSE) President Fakhor Uddin Ali Ahmed said OIC member stock exchanges should play a vital role in ensuring a focused platform and communication channel for representatives, said a press statement.

The CSE chief was speaking at the third Working Committee Meeting of OIC Member States' Stock Exchanges Forum in Abu Dhabi on Thursday. The CSE is one of the working committee members.

Ahmed said the forum should initiate groundwork to harmonise the rules and

Qatar Airways celebrates 10th anniversary of its Privilege Club

STAR BUSINESS DESK

Qatar Airways has launched a number of promotion in celebration of the 10th anniversary of its frequent flyer programme -- Privilege Club, said a statement of the airline.

Privilege Club is offering a number of special benefits for its loyal members, including bonus Qmiles (qualifying miles) and redemption discounts.

"Members can earn 10,000 bonus Qmiles in addition to the normal Qmiles, when flying 10 sectors within 10 weeks from May 1 until July 10. Between May 1 and 31, Privilege Club members can also earn double 'Qpoints' on Qatar Airways' flights enabling them to achieve a higher status much quicker within the programme."

Privilege Club cardholders can also enjoy the benefits of upgrading to business class for just half -- 50 percent less -- Qmiles than normal by booking selected economy class tickets during May.

"Qatar Airways would like to take this opportunity to thank its members for the continued support and sincerely look forward to many more years of patronage from our most loyal customers," said Qatar Airways Chief Executive Officer Akbar Al Baker.

Pabna gets first brokerage house

OUR CORRESPONDENT, PABNA

Square Securities Management Ltd, a brokerage house, opened its branch in Pabna yesterday, the first for the district.

Square Group Chairman Samson H Chowdhury inaugurated the branch as the chief guest.

Chowdhury stressed the need to open more brokerage houses across the country to help drive investment.

"The investment in stockmarket has played a vital role in the economy. So investors should invest more in good shares," Chowdhury said.

Square Securities Management Managing Director Anjan Chowdhury chaired the programme.



N Shafkat Choudhury, chief operating officer of Studio 45, and Firoz Ahmed Khan, head of retail banking for BRAC Bank, exchange documents after signing a deal in Dhaka recently. Customers of the bank's 'Apon Ghar' home loan product will enjoy 15 percent discount on home decorative products of Studio 45 with free consultancy on interior decoration.