

Call to boost budget for local govt bodies

STAR BUSINESS REPORT

Direct allocation for local government bodies has been below two percent of the total annual budget outlay for the last five fiscal years, which experts said is inadequate for the development projects meant for the grassroots.

They said at a discussion yesterday that the allocations for grassroots institutions were not sufficient to carry out various works by the elected representatives of the local government bodies such as union parishad, upazila and municipality.

The budgetary allocations are spent at grassroots levels through different government bodies and ministries but elected representatives' command over various expenditures is yet to be established, the speakers said at the discussion in Dhaka.

"The national government will not be effective unless financial ability of local government bodies is enhanced,"

said Shamim-Al-Raji, secretary general of Municipal Association of Bangladesh.

"If everything remains centralised, the sufferings of the people at local level will not ease," he said.

A platform of 35 nongovernmental organisations, Governance Advocacy Forum organised the discussion at National Press Club, focusing on increased allocations for local government bodies in the budget for the upcoming fiscal year.

AKM Mozammel Huq, chairman of the parliamentary standing committee on land ministry, MM Akash, a professor of economics department at Dhaka University, also spoke at the programme attended by elected representatives of different local government bodies.

"The actual allocations for local government institutions should increase based on specific work plans for establishing effective and powerful

grassroots bodies," said MMAkash.

He said such allocations rose to Tk 1,630 crore in the current fiscal year from Tk 1,020 crore a year ago.

"However these allocations have never crossed two percent of total budgetary outlay since fiscal 2004-05," he said, adding that the highest allotment was in fiscal 2006-07 at 1.95 percent.

In the current fiscal year, the direct allocations to local government bodies as a whole stand at 1.43 percent, he said.

The Dhaka University teacher said the present government promised to strengthen the local government bodies and make them the centre of local development through decentralisation, but the promises were not materialised in the last 15 months.

AKM Mozammel Huq said the allocations for the grassroots bodies should go up.

"At least 20 percent of the total budgetary allocations should be for the local government bodies," he said.



Yasser Rizvi, managing director of Alliance Holdings Ltd, receives the credit rating report from Hamidul Huq, managing director of Credit Rating Agency of Bangladesh (CRAB), at Sonargaon Hotel in Dhaka recently. CRAB rated Alliance as A3 - High Earning Prospect.

Govt urged not to privatise essential services

UNB, Dhaka

The Campaign for Good Governance (Supro) has demanded that all essential service sectors, including education, health, water and power sectors, should not be privatised.

The demand was raised from a rally in the city yesterday. It also organised a human chain to press home their demand.

Supro called upon the government not to comply with the divestment policy of international donor agencies like World Bank, IMF and ADB and to establish the people's rights on the essential service sectors and natural resources.

It said the government should reduce dependency on foreign debt as the country pays high price for the donors' terms and conditions.

It also urged the government to ensure access of all the countrymen to the essential service sectors.

Initiatives to enhance national capacity building are needed, it suggested. Supro organised the human chain in front of the National Press Club, marking the Asian Day of Action Against Privatisation of Essential Sectors.

In initiatives with the Asia Pacific Movement on Debt and Development (APMDD), the day was observed across the Asian continent with various programmes yesterday, demanding an end to the privatisation and commercialisation of the essential service sectors.

Deputy Director of Supro Mohammad Shahid Ullah, coordinators Kamrunnesa Nazli and Mustafizur Rahman, assistant coordinators Alim-Al-Razi, Iqbal Uddin and Sara Zaman and programme officers Kazi Shafiqul Islam and Zebunessa Tuli spoke on the occasion.

Jute, textile workers wage movement

STAFF CORRESPONDENT, Khulna

Thousands of workers and employees of 17 private jute, yarn and textile mills in the southwestern region of the country have announced a month-long movement to press home their 10-point demand including a wage commission for them.

Over 30,000 workers and employees of the mills in Khulna, Satkhira, Jessore, Kushtia, Magura and Faridpur districts waged the movement at a rally held for the second time on Monday in Khulna city.

The first rally under the banner of Jute and Textile Mills Workers' Action Coordination Committee was held on May 1. Their demands also include payment of gratuity and service benefits, festival bonus and all arrears, introduction of a new democratic labour law, rationing system and group insurance, payment of medical allow-

ance and supply of electricity to labour colonies at reduced rate.

The leaders of the committee have set May 25 as the deadline for fulfilling their demands, and warned of a tough movement if those are not met.

A leader of the committee, Wahid Murad, said they would submit a memorandum to Prime Minister Sheikh Hasina on May 9 to seek her intervention.

He said the jute minister and the state minister for labour and employment have failed to get their demands met.

Murad said they will hold protest rallies and meetings from May 15 to May 20, block road and railways and form human chain on May 23 on Khulna-Jessore highway.

They will also submit memoranda to the deputy commissioners of the respective districts, commissioner of Khulna Metropolitan Police, and the divisional commissioner.

Hardboard mill suspends work

STAFF CORRESPONDENT, Khulna

Production at state-owned Khulna Hard Board Mill has remained suspended since Thursday due to a crisis of raw materials.

The mill requires about 1,200 maunds of wood a day to run operations.

"Our monthly production target is 12 lakh cubic feet of hardboard, but we can hardly meet 50 percent of the target," said Manager (production) Nitai Chandra Das.

The mill does not use Sundari or Gewa wood, but other species of trees from the Sundarbans as input.

Procurement of Sundari and Gewa wood has remained suspended for the last 10 years due to restrictions imposed by the Sundarbans Forest Division.

Managing Director Habibur Rahman

hopes the mill will resume production soon.

Khulna Hardboard Mill lost its quality of production after it could no longer purchase Sundari and Gewa wood, which is most suited to producing export-quality hardboard, said the production manager.

The mill is also facing a dearth of running capital to continuing steady production and reaching production targets. "As a result, our sales have fallen unexpectedly, failing to meet even half of domestic need," the manager added.

A total of 90 workers are involved with the country's lone hardboard mill.

The mill had suspended production nine times in the last three years because of a financial crisis, shortage of raw materials, mechanical breakdowns and fuel crunch.



Head of consumer banking for Standard Chartered Bank Sandeep Bose and Chief Executive Officer of Qubee Jerry Mobbs exchange documents after signing a deal in Dhaka recently. The bank's account and credit cardholders can now settle their internet bill of Qubee through Auto BillsPay, a bill payment solution.

Cambodia, Japanese firm sign oil study deals

AFP, Phnom Penh

Cambodia and a Japanese energy firm on Tuesday signed deals to look for oil and natural gas in the basin of Southeast Asia's largest freshwater lake, despite environmental concerns.

Deputy Prime Minister Sok An initialled a deal to cooperate in exploration, development and production of oil and gas with the Japan Oil, Gas and Metals National Corp (JOGMEC).

He also signed a basic agreement with the state-run company to make geological and geophysical studies of a 6,500 square kilometre (2,500 square mile) area in the country's Tonle Sap lake basin.

JOGMEC executive vice president Fumiaki Fujita said surveying the area would take two years.

ICB seeks time extension for its mutual funds

STAR BUSINESS REPORT

Investment Corporation of Bangladesh (ICB) has requested the Securities and Exchange Commission (SEC) to allow the corporation's eight mutual funds to trade in the stockmarket until 2017.

The mutual funds have no maturity period and were instructed by the SEC in December last year to pull out from the market by 2011.

The ICB made the appeal considering the investors' interest, the mutual funds' growth and popularity as those pay out hefty dividends every year.

The SEC said it has received an appeal to this effect from the ICB on April 29.

"We will take decision on the issue after scrutinising the mutual funds' rules and regulations," said Ziaul Haque Khondker, chairman of the stock market regulator.

A mutual fund is a professionally managed collective investment scheme that pools money from many investors and invests it in stocks, bonds, and short-term money market instruments.

However the ICB in its letter of appeal to the SEC said its mutual funds were floated between 1980 and 1996 under now-defunct 'Controller of Capital Issues' of the finance

ministry.

The SEC in 2007 asked the ICB to bring its mutual funds under 'SEC (Mutual Fund) Rules, 2001' so the regulatory agency can control the funds under a unique set of rules to ensure the investors' interest.

Upon a request from the ICB, the SEC then waived the eight mutual funds from its rules, and also gave no directions or conditions about their maturity period, according to the ICB letter signed by its Managing Director Humayun Kabir. Since then the ICB has been operating its eight mutual funds.

But the SEC in December last year issued a notification instructing the mutual funds, having no maturity period and that have passed 10 years after listing, to pull out from the market by December 2011.

As all other mutual funds were brought under the mutual fund rules in 2007, the ICB now urges the SEC to allow its funds to be in the market for 10 years from 2007.

Now 24 mutual funds trade on bourses with their combined issued capital of around Tk 1,000 crore.



Bangladesh Air Force (BAF) and Dutch-Bangla Bank Ltd (DBBL) yesterday signed an agreement to allow BAF officers open salary accounts with the bank. BAF Director (finance) Group Captain AKM Rafique Uddin and DBBL Deputy Managing Director Abul Kashem Md Shirin signed the deal.

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