

BB cautions banks against quick profits

STAR BUSINESS REPORT

The central bank governor has warned the commercial banks against the risks stemming from a short-term outlook.

"It won't be wise to throw your banks into high risks by running after quick profits," Bangladesh Bank Governor Dr Atiur Rahman told the inaugural of a three-day bank and non-bank financial institutions fair in Dhaka yesterday.

Dhaka Sheraton Hotel organised the event on its premises for the third consecutive year.

The governor said the central bank has always emphasised risk management in the banking industry, as the financial sector stability is very important for the economy.

The other stability the central bank has to maintain is with the price, said Rahman.

The question of short-term benefits comes to the fore on detection of banks' over-exposure to the capital markets and unproductive sectors as well. Bangladesh Bank has recently served notice on seven banks for its over-exposure in the capital market.

"We're not talking about any specific area but focusing on the overall risk management," the governor responded to a query.

He said the central bank from time to time advised different financial institutions not to invest in risky assets for quick profits.

Rahman said banks here are undergoing a

stress-testing like European banks to identify its strengths and weaknesses. He however said previous stress-testing have shown that banks here are in strong base.

But the present scenario has forced the BB to have a close watch on the situation.

Earlier, addressing the inaugural session, the BB chief applauded the country's banking sector that has maintained stability amid global recession. But he warned them of any complacency.

Rahman hoped that the fair would provide an opportunity for consumers to be aware of the services and products of banks.

The governor asked the banks to come up with investments in the energy sector to resolve the crunch. He said a single borrower exposure for investment in this sector has been withdrawn.

"A \$250 million infrastructure development fund has been created in this regard," he said.

Lauding the state-owned banks for opening of 3 lakh accounts for farmers in a short span of time, the central bank chief said these accounts should be continued.

Dhaka Sheraton's General Manager Ahmad Bukhari Hamzah chaired the inaugural session, also addressed by Ali Reza Iftekher, managing director of Eastern Bank.

The three-day fair involves 25 banks and financial institutions.



Bangladesh Bank Governor Atiur Rahman inaugurates a three-day bank and non-bank financial institutions fair in Dhaka yesterday. High officials of different banks are also seen. Dhaka Sheraton Hotel has organised the event on its premises for a third year.



Anadn Karim, managing director of Interspeed Advertising Ltd, shakes hands with Daniel Afzalur Rahman, head of programme of Radio Foorti, after signing a deal in Dhaka recently. Interspeed will manage the advertising and PR sections of the radio station. Sharjeel Karim, co-chairman of Interspeed, is also seen.

WB for transparent financial institutions

BSS, Dhaka

World Bank has suggested that Bangladesh's public financial institutions should be strong, transparent and accountable to promote better public service and improve the livelihood of people.

The government, with support from donors, will implement the Strengthening Public Expenditure Management Programme or SPEMP, project that aims at modernising core institutions for budgeting and financial management of the country.

SPEMP is a comprehensive umbrella programme to support various aspects of public financial management reforms, said the WB.

The project, which will address supply and demand side besides technical and social accountability reforms, is financed by a multi-donor trust fund administered by the international lending agency.

The project targets key priority areas like budget preparation and execution within the government, external auditing through Comptroller and Auditor General and legislative and public oversight.

Rakub chief asks officials to stay away from graft

STAFF CORRESPONDENT, Rajshahi

The new chairman of Rajshahi Krishi Unnayan Bank (Rakub) yesterday asked officials to perform honestly to turn the institution into a hub for helping farmers in the north and enable it to contribute to the national economy.

Rakub was set up to promote the interest and well-being of farmers, but failed to play its expected role as some bank officials had allegedly resorted to corrupt practices in the past, said Prof Md Shah Nowaz Ali.

"I ask you all to stay away from all corruption and devote yourselves to assisting the farmers," said Ali while speaking at a performance review meeting of the bank's officials.

Over 100 officials from the bank's 12 zones in Rajshahi division were present at the meeting.

Ali, also the dean of the commerce faculty at Rajshahi University, said the farmers had been pivotal in driving economic growth in early days, but got gradually alienated due to skewed policies by past governments.

If Rakub can play its roles effectively, the regional farmers will be able to help the present government attain food autarky by strengthening the nation's food security.

Rakub Managing Director Prodeep Kumar Dutta chaired the meeting.

Rakub Director Rustam Ali Ahmed attended the programme as a special guest.

CCC rolls out Tk 741 cr budget with surplus

STAFF CORRESPONDENT, Ctg

Chittagong City Corporation (CCC) yesterday rolled out a Tk 741 crore budget with a surplus of more than Tk 1.78 crore for fiscal 2010-11.

CCC Mayor M Manjur Alam also presented a revised budget of more than Tk 294 crore for 2009-10 at a special general meeting.

All 41 ward-councillors and 14 female councillors were present at the meeting that also elected a panel of mayors to run the CCC in the absence of the mayor.

North Halishahar ward No. 26 councillor Mohammad Hossain was elected as panel mayor 1. Zobiaida Nargis Khan from the reserve seat of ward Nos. 4, 5 and 6 was elected panel mayor 2.

Attaching priority to how to solve waterlogging in the city, the mayor said a tender would be floated soon to solve the problem under a Tk 50 crore project.

The CCC set up a new wing at its first general meeting on Monday, which will help solve waterlogging in the city.

The city corporation will sign a deal with the Institute of Waterx Modelling soon to design sluice gates for Chaktai Khal and Mohesh Khal.

The CCC will also ask Chittagong Wasa to come up with its Tk 1,200 crore Ecne-approved water supply and sanitation project to implement the Chittagong metropolitan drainage master plan, Alam said.

Janata Ins chief re-elected



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Janata Insurance Company Ltd has re-elected Rubel Aziz as chairman, says the insurer in a statement.

The election took place at the company's board meeting on Monday.

Aziz is also the chairman of Bangladesh Electronic Payment Systems Ltd, vice-chairman of IT Consultants Ltd, director of The City Bank, Partex Group, IDLC Finance Ltd and IBIAS University, managing director of Partex Beverages, Partex Plastics and the president of Gulshan Club.

Europe's economic confidence soars

AFP, Brussels

A surge in confidence in Europe's economy fuelled hope Thursday that the region is finally overcoming its financial troubles just days after European banks largely survived a crash test.

The Economic Sentiment Indicator produced by the European Commission soared in July to its highest level in more than two years, driven by eurozone powerhouse Germany, improved order books and optimism among consumers.

"July's sharper-than-expected increase in economic sentiment will further allay fears of a near-term double dip recession in the Eurozone and may give fresh support to the euro," Dutch banking group ING said in a note.

The European Commission said sentiment in industry was the "main contributor" to the overall improvement, "with an increase of two points as respondents in the sector reported 'substantial improvements in their order books'."

Consumer confidence "regained momentum" with a 3.0-point jump in the euro area, the European Union's executive arm said.

"More optimism about the general economic situation and very significant easing unemployment fears in Germany contributed to the overall improvement," the commission said.

The data helped to drive the euro on Thursday to its highest level against the dollar since May.

But the results were uneven across the 16-nation eurozone, pointing to persistent weakness in southern countries beset by a fiscal crisis that has rattled the single currency, analysts said.



SM Kamaluddin, president of Korea-Bangladesh Chamber of Commerce and Industry and chairman of Concord Group of Companies, presents a crest to Han il Kim, regional head of Korea Business Centre, in Dhaka on Monday.

Indonesia overtakes Thailand in car sales

AFP, Jakarta

Indonesia has hit the fast lane in terms of auto sales and has overtaken Southeast Asian pace-setter Thailand for the first time, according to a Nikkei survey from the first six months of the year.

Officials and auto executives attending the 18th Indonesia International Motor Show in Jakarta told AFP the outlook for sales in the archipelago of 240 million people had never been brighter.

"Since late 2009 and early 2010, all auto brands and producers have been trying to increase production capacity in Indonesia"

to meet demand, industry ministry official Budi Darmadi said.

"Compared to other countries in the region, we have the fastest growth of car sales."

Sales peaked in Indonesia at 600,000 units in 2008 but slumped 20 percent last year due to the global financial turmoil. This year's figures are expected to top 700,000 for the first time, ahead of Thailand.

The Indonesian Automotive Industry Association (Gaikindo) said auto sales in Indonesia jumped 76 percent to 370,206 vehicles in the first half of 2010, driven by strong demand for minivans with engine outputs of 1.5 liters.

Shift chemical stores in time

Barua asks Old Dhaka businesses

UNB, Dhaka

Industries Minister Dilip Barua yesterday served a reminder to chemical goods businesses to relocate corrosive chemical stores out of Old Dhaka within the stipulated time to avert ruinous incidents like Nimtali tragedy in future.

"Earlier, I asked the businessmen to shift their godowns from Old Dhaka within two months at a meeting in the city Tuesday. But it is very difficult to pull out the time limit," he said while addressing a meeting with businessmen of Old Dhaka at the DCCI auditorium in Dhaka.

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Dhaka Chamber of Commerce and Industries (DCCI) organised the meeting, chaired by its President Abul Kasem Khan, on the problems that businessmen face at Old Dhaka.

Barua said his government aims at expanding trade and commerce, ensuring security for the country's people and protecting their property.

He also sought cooperation from the businessmen in keeping the prices of essentials stable during Ramadan.

"We hope the government's timely decision to reduce sugar price by Tk 2 a kg will keep its price stable during Ramadan."

Sonali Bank gets new GM



STAR BUSINESS DESK

Sonali Bank has promoted Nasrin Begum to general manager, the bank said in a statement yesterday.

She has joined the office of general manager in Barisal.

Prior to the promotion, Nasrin was working with the bank's management department at its headquarters.

An MA in economics from Dhaka University, she joined Sonali Bank in 1980 as a probationary officer.



Akhlaqur Rahman, chief operating officer of American Life Insurance Company (Alico) Ltd, and Mr Mominul Huq, vice president and head of retail and mobile banking of Dutch-Bangla Bank Ltd (DBBL), exchange documents after signing a premium collection agreement in Dhaka yesterday. DBBL will now collect premiums from policyholders of the insurer.



Mercedes-Benz said it had delivered more than 300,000 units of E-class vehicles worldwide until yesterday. Two German plants manufacture the vehicles. Rancon Motors, a sister concern of Rangs Group, is its general distributor in Bangladesh.