

Muhith points to political influence over banking

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday said political influence in getting bank loans has become part of culture, which is difficult to get rid of fully.

But he said the present government might not be exerting influence in such matters to a great extent.

Muhith was speaking at a workshop on industrial credit and corruption in state-owned commercial banks (SCBs) at Dhaka Sheraton Hotel.

International Business Forum of Bangladesh (IBFB) organised the workshop, second of its kind in a month, chaired by its President Mahmudul Islam Chowdhury.

Bangladesh Krishi Bank Chairman Khondkar Ibrahim Khaled delivered the keynote speech and said external influence, bad practices and parallel management activities of trade unions in the SCBs are responsible for corruption in accessing industrial credit.

The banker also mentioned a lack of professional capacity of the SCBs as well as lack of personal stakes and non-accountability of the bank directors as the major shortcomings of these banks.

The finance minister, who joined the workshop as the chief guest at the eleventh hour said he considered all recommendations right. "But one should not expect that all of these will be implemented overnight."

Muhith, however, said implementing the suggestion of disqualifying a promotion-declining employee for contesting the CBA [collective bargaining agent] elections was possible. "This particular suggestion can be implemented at once," he added.

On trade unions, the minister agreed with the speakers that there should be one trade union in an organisation. "We, however, cannot enforce the matter of allowing a single trade union in the SCBs," admitted Muhith.

He also endorsed the suggestion of setting a timeline for decision on a loan proposal.

Presenting his paper, Ibrahim Khaled said the SCBs were 'considerably' free from corruption when they were nationalised.

But military and autocratic rules exploited these banks, injected corruption and sheltered corrupt professionals, Khaled said.

"Such corrupt practices have given rise to corruption in the SCBs," he said.

According to him, inadequate measures of encouragement and punishment, lack of need-based operation, undue interference of governmental and political influence as well as corrupt trade union leaders under political patronisation have been the visible carriers of corruption in the SCBs.

He identified four factors -- ownership, governance, external socio-

political interference and in-house trade union interferences -- responsible for creating and nurturing the problems in SCBs.

Khaled suggested that no serving government officials should be nominated as directors of the SCBs.

On external influences, he recommended any sort of outside persuasion should be regarded as a good reason to cancel a loan request.

"The government may advise the lawmakers and ministers not to contact any SCB directly; they may submit complaints, recommendations or comments to the finance ministry," he said.

Khaled, also a former central bank deputy governor, came down hard on CBA leaders for their malpractices and harassment of bank officials. He said there are numerous examples of such incidents.

He stressed the need for amending the labour laws to segregate from political parties.

"The SCB employees' service rules and regulations should include a provision saying that no employee or a group of employees shall shout, chant slogans or stage demonstrations during office hours. Violation will be an offence," he said.

Mentioning that CBA leaders refusing to accept promotions should be straightway disqualified for contesting CBA elections, Khaled said.



Bank Asia Chairman A Rouf Chowdhury inaugurates the bank's 45th branch at Cox's Bazar in Chittagong yesterday. Managing Director and President Erfanuddin Ahmed is also seen.

British firm plans to develop Mongla port

STAR BUSINESS REPORT

A UK-based firm yesterday said it plans to invest \$794.5 million to upgrade Mongla port into an internationally standard seaport.

James Sutcliffe, chairman of Port Evolution Management Ltd, presented the multi-billion dollar plan for the country's second largest seaport and its surrounding region at a meeting with Shipping Minister Shajahan Khan at the latter's secretariat office in Dhaka.

"The private investment proposal covers setting up a container terminal, an oil terminal and tank and a special economic zone with its own 300-450 megawatt power station," the minister told reporters after the meeting.

The British firm will also set up a water treatment plant for the locals.

Khan said the government would examine pros and cons of the proposal before signing any final agreement.

The upgrade work will be implemented in the next four years, he said, adding that Mongla port development is crucial for awarding transit facility to Nepal and Bhutan.

"Our target is to turn the port into an international one," the minister said.

The plan is expected to create hundreds of jobs through construction and operation, which will have a major impact on the need for shipping at Mongla, officials said.

Once vibrant, the port activities have slowed down recently mainly due to indifference from the authorities concerned, labour unrest and corruption by a section of port officials and employees.

The port handled 16.49 lakh tonnes of goods and products, such as food grains, bulk cements, clinkers, fertiliser, machinery, motor vehicle, jute, shrimp and frozen food in external trades in fiscal 2009-10.

Port Evolution is a worldwide company specialising in green field port development. The firm, which owns and operates some of the UK's ports, is currently developing a port project worth \$300 million in Nigeria. The company also developed Poland's largest deep-sea container terminal in 2007.

Shipping Secretary Md Abdul Mannan Howlader, British High Commissioner to Bangladesh Stephen Evans and Mongla Port Authority Chairman M Abul Kalam Azad were present during the press briefing.

Chevron extends support to Asian University for Women

STAR BUSINESS DESK

Chevron Bangladesh has signed a deal with Asian University for Women (AUW) to support the university's recruitment of quality faculty members.

The deal was signed on November 3 under which Chevron provides \$250,000 as support.

Chevron also agreed to launch an internship programme for the students from next year. This is the second year that it has extended such support.

Geoffrey A Strong, president of Chevron Bangladesh, and Omar Shareef, chief operating officer of AUW, were also present.

"Chevron is proud to be a partner of such a noble cause," said Strong, also a member of the AUW advisory board.

Shareef appreciated Chevron for the support and contribution. He said the university aims to prepare women of high abilities and potential to meet society's challenges.

AUW's 416 students come from 12 countries, including Afghanistan, China, India, Pakistan, Palestine and Vietnam.

"This diversity enhances the international learning experience promised by the university that is based in Chittagong," Shareef said.

Chevron Bangladesh is a subsidiary of Chevron Corporation, a leading integrated global energy company. Chevron is based in San Ramon, California.



Akku Chowdhury, second from right, executive director of Transcom Foods, holds the Pizza Hut's new menu, Cheesy Bites, up for photographs at its launch at Gulshan in Dhaka yesterday. From left, actress Bonnya Mirza, singer Tishma and model Sharmin Lucky are also seen.

Pizza Hut cooks a dish with a twist

STAR BUSINESS REPORT

International restaurant chain Pizza Hut has added a creative dish to its assembly -- the Cheesy Bite, a pizza with bite-sized cheesy pop ends that have to be twisted off to be eaten.

The new dish is part of its new menu that includes nine new pizzas and four new tantalising appetisers, salad and pastas.

Akku Chowdhury, executive director of Transcom Foods, the

franchisee of Pizza Hut, unveiled the new menu at the restaurant's Gulshan outlet yesterday.

The long-time pasta choice favourites, such as the Penne, Fusilli, Spaghetti and Macaroni, dressed in Arabiatta, Spicy Tomato, Mushroom Sauce and Bolognese sauces, will remain on the menu.

"I think this is an item I only can say is unique and something to share with friends at addas. So, try it out and have fun while doing so," said Chowdhury.

"It's all part of the new menu to give our customers an enhanced dine-in experience and provide a wide range of delicious foods at affordable prices."

Pizza Hut is the first ever international restaurant chain that started business in Bangladesh by opening its flagship restaurant in December 2003 in Gulshan.

Transcom Foods, a subsidiary of business group Transcom, is also the franchisee of KFC.

Mobil Jamuna Lubricants opens new plants in Ctg

DWAIPAYAN BARUA, Chittagong

Mobil Jamuna Lubricants (MJL) Bangladesh yesterday opened three new plants in Chittagong to make a new portfolio of products.

The plants will make grease, transformer oil and viscosity index improver, which had earlier been all imported, said officials of the public-private partnership company.

Mohammad Mesbahuddin, energy and mineral resources secretary, inaugurated the plants at Lube Oil Blending Plant at East Patenga in the port city.

Abdul Mueyed Chowdhury, Bangladesh director for MJL, was the special guest and Azam J Chowdhury, managing director, delivered a welcome speech.

Mesbahuddin said Mobil Jamuna MJL Bangladesh is a good example of public-private partnership in the petroleum sector.

Since its establishment as a modern lube oil blending plant in 2003, the company has

transformed into the market leader in the lube oil sector, he said.

Azam J Chowdhury said the company has the capacity to produce 850 tonnes of grease, which can reach up to 2,400 tonnes a year.

Chowdhury said it imports all chemical additives and blenders now.

"The viscosity index improver plant is the first of its kind in Bangladesh to manufacture the chemical additives which is a 100 percent import substitute."

Bangladesh needs 600 tonnes additives a year, which is much lower than MJL's capacity, Chowdhury added.

The plants and its technology have been designed and implemented by former officials of ExxonMobil, one of the officials of MJL Bangladesh said.

The official said all major equipment including the control system has been sourced from the equipment builders of North America, Europe, Southeast Asia and Australia.

US clothing retailer Gap enters China

AFP, Shanghai

Clothing retailer Gap opened its first store in China Thursday, calling it a major step in an international expansion aimed at doubling the proportion of its revenue from outside the United States.

The firm's 1,140-square-metre (12,300-square-foot) Shanghai flagship is the first of four shops it will open in China in the coming weeks along with an online store, Gap Asia Pacific president John Ermatinger told AFP.

"We have looked at our investment in China as the right thing to do for Gap Inc."

Optimal Solution sets foot in Bangladesh

STAR BUSINESS REPORT

Optimal Solution, a US-based SAP company, will launch operations in Bangladesh soon to bring services to local enterprises, said a top official of the outfit yesterday.

At a press briefing in Hotel La Vinci in Dhaka, Gurvender Suri, the company's chief executive officer, said Bangladesh showed resilient economic growth during the global financial crisis.

"This is due to the entrepreneurial spirit, strong work ethics and bold investment strategy of the investor," he added.

SAP AG is a German software corporation that provides enterprise software applications and support to businesses of all sizes globally.

Suri said Optimal had a "proven SAP expertise and deep industry experience coupled with strong customer focus and unwavering commitment to value delivery".

"Our success makes us the partner of choice for helping Bangladesh businesses and public sector organisation of all sizes to achieve operational excellence using SAP technology."

Subi Krishnan, managing director of

Optimal India, said the company has seen fourfold growth in business in India over the last year.

Its workforce has grown by more than 300 percent in just 18 months, he added.

"In the coming months we plan to hire SAP consultants and sales professionals in Bangladesh to establish a Bangladesh SAP centre of excellence," he added.

Optimal Solutions is a multinational new breed of consulting firm dedicated to driving business transformation for companies and public sector organisations.

The Financial MIRROR Presents

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