

Free state banks from political influence

Experts ask government

STAR BUSINESS REPORT

The government must restrict its ministers and lawmakers from lobbying for loans, legally bar trade unions from kowtowing to political parties, and ensure good governance to help the state-run commercial banks stay afloat, a top banker said yesterday.

"The state-run banks will be able to make a turnaround if we can appoint politically independent people to the board and management," said Khondkar Ibrahim Khaled, chairman of state-run Bangla-

desh Krishi Bank.

Khaled, a former Bangladesh Bank deputy governor, was speaking at a seminar on bad loans organised by People's Development Services Corporation Ltd (PDSCL), a debt recovery company, at Dhaka Reporters Unity in the city.

He said hundreds of crores of taka lent by four state banks -- Sonali, Janata, Agrani and Rupali -- have become bad loans for political lobbying and failures and dishonesty of the bank officials.

"There are solutions to every

problem. If any organisation fails to find any solution, it is due to the failure in its management."

Khaled said the successive governments were not serious about realising the bad loans although the media have always been vocal about the issue.

"The state banks perhaps do not want the debt recovery companies to operate and be successful. So they do not cooperate with them."

The banker urged the government to ensure that the state banks pay the debt recovery companies duly, otherwise they

will not survive.

About 30 percent of all outstanding loans of Sonali Bank are bad loans, and the amount is 20 percent for Agrani Bank and 10 percent for Janata Bank. Rupali Bank also has a significant amount of bad loans, Khaled said.

"If the government wants to protect the state-run banks then these companies have to be given assistance."

The Krishi (agriculture) Bank chairman said political lobbying for obtaining loans happens to be most active at the state-run

banks, as seen in the past.

Khaled said the government must ensure good governance at the banks to help their management work efficiently.

He said the trade unions at the banks usually exercise power of the political parties. "There should be trade unions, but they must be legally barred to run under any political banners."

PDSCL Chairman AM Rahman, its Adviser Wahidul Hossain and Karmasangsthan (employment) Bank Managing Director Md Nurul Huda Chowdhury also spoke.



Alphons Hennekens, ambassador of the Netherlands to Bangladesh, receives a crest from Faruque Hassan, vice president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), during his visit to the BGMEA office in Dhaka recently.

Bangladesh should seize trade prospects

Says expert in Asiatic Society's memorial lecture

STAR BUSINESS REPORT

Bangladesh has a great opportunity to tap trade, investment and connectivity benefits from India and China by building closer ties, said Mustafizur Rahman, executive director of Centre for Policy Dialogue yesterday.

Rahman was delivering the National Professor Atwar Husain Memorial Lecture 2010 organised by Asiatic Society of Bangladesh at its auditorium, focusing on 'global integration through regional cooperation: an emerging opportunity'.

Bangladesh has a prospect of growing trades with these countries through the platform of South Asian Free Trade Area, Bangladesh, India, Myanmar, Sri Lanka and Thailand Technical and Economic Cooperation, Free Trade Area and Asia-Pacific Trade Agreement, he said.

Rahman said Bangladesh has already lost opportunities like developing deep-sea port and regional connectivity with India, which was utilised by Myanmar and Pakistan.

India went for the alternative and never came back to discuss those because investments have to be committed, he added.

Rahman said Bangladesh could also reap the benefits by developing the southern coasts of the country as a regional hub for South Asia with a hinterland that stretches up to south of China.

"A number of positive developments such as deepening cooperation in trade and establishing transport connectivity with India etc were delayed."

These steps will have to be reinforced by doing proper homework, pursuing proactive policies and undertaking concrete actions, he added.

Rahman recommended a number of actions, such as widening market access through duty-free treatment and short-listing the sensitive items to realise benefits from trades with India and China.

Dr Amirul Islam Chowdhury, head of the economics department of United International Uni-

Supply chain managers awarded

STAR BUSINESS REPORT

The two-day international conference on supply chain management ended yesterday with conducting six seminars and rewarding three supply chain managers in Bangladesh.

Trinity Communications in association with International Supply Chain Education Alliance (ISCEA), USA organised the conference, First International Supply Chain Conference, Bangladesh 2011, at Radisson Water Garden Hotel.

The recipients of the first supply chain excellence award were Soumen Das, deputy general manager of Airtel Bangladesh; Sharfuddin Mahi, deputy manager for supply chain of Rangs Properties Ltd; and MA Awal, head of supply chain for Ericsson, for their excellence in the field of supply chain management. Each awardee received a crest and a certificate.

At the seminars, local and international experts gave their presentations on the supply chain issues.

On the first day, Naquib Khan, supply chain director of Nestle Bangladesh, Mike Sheahan, president of ISCEA International Standards Board, and Shakhawat Hussain, head of supply chain of IDS group Bangladesh, delivered keynote speeches.

On the second day, Dr Premkumar Rajagopal, senior associate professor, and head of business faculty at AIMST University in Malaysia, spoke on how to enhance competitive performance by closely integrating the value chain of a firm with the extended supply chain.

Ranjan Negoi, director and co-founder of CSL Software Resource, spoke on the role of ERP in enhancing productivity in the RMG sector. Ejazur Rahman, CEO of ISCEA- Bangladesh, discussed how to cope with the supply chain talent crunch.

In his welcome speech, Mushfiqur Rahman, CEO of Trinity Communications, said: "We need to focus on promoting the supply chain issue in Bangladesh because it will enhance the competitiveness of a company."

Industries Minister Dilip Barua, Commerce Minister Faruk Khan and representatives from ISCEA were present at the two-day conference.

India launches fresh incentives for exporters

PALLAB BHATTACHARYA, New Delhi

India came out with a fresh package of fiscal incentives on Friday worth Rs 500 crore to exporters of select products to help them cope with the uneven global recovery marked by financial problems in Europe.

The sops, unveiled by Indian Commerce and Industry Minister Anand Sharma in New Delhi, will benefit sectors like textiles, agriculture products, chemicals, engineering, electronics and plastics. Over 617 products would get the benefit.

"The situation in Europe remains worrisome. Recovery is not even and it poses a challenge

for our exporters," Sharma said.

However, he was confident that the target of \$200 billion for merchandise exports would be met during the current financial year. Overseas shipments have shown 29.5 percent growth during April-December period this fiscal year.

"We are well underway to achieve the export target and may even cross it," the Indian minister added. Exports to 15 countries, including Australia, Brazil, New Zealand, China and Japan, would be eligible for the benefits under two separate schemes of the Indian government.

In the Focus Market Scheme, exporters get duty credit of 3 percent on the value of consign-

ments whereas, under the Focus Product Scheme, the duty credit stands at 5 percent.

This is the second time the government has given incentives to exporters. Similar sops worth Rs 600 crore were announced in January last year.

Sharma said the incentives would enhance the competitiveness for products, which are labour- and technology-intensive.

He said that with export growth of 25 per cent per annum, the exports will be doubled by 2014.

Under the Market Linked Focus Product Scheme, incentive was allotted for 335 new prod-

ucts, including agricultural tractors, inorganic chemicals, bulk containers and narrow woven fabrics.

"These products would avail benefit at a rate of 2 percent of freight-on-board (FOB) value of exports to 15 specified markets," he said, adding the markets include Egypt, Kenya, Nigeria, South Africa, Mexico, Brazil, Australia, New Zealand, China and Japan.

Under Focus Product Scheme, 147 products from different sectors such as engineering and electronics would avail the sop of additional 2 percent duty credit scrip.

"Henceforth, eligible for benefits at the rate of 4 percent or 7

percent of FOB value of exports to all markets," the minister said. Under Special Focus Products Scheme, egg powder would be eligible for 5 percent duty credit scrip of the total value of exports.

Meanwhile, Indian Agriculture Minister Sharad Pawar has pitched for lifting the ban on export of onion that saw an unexpected price rise in domestic market recently.

The government had clamped a ban on onion exports in December last year.

Indian Agriculture Secretary PK Basu said Pawar has written a letter to Anand Sharma to consider reversing the ban to help onion farmers in Maharashtra.



Tahrin Aman, managing director of Aman Group, and Selim RF Hussain, managing director of IDLC Finance Ltd, sign deals on raising capital through initial public offering where IDLC Finance will act as the issue manager and corporate advisor. M Amanullah, chairman of Aman Group, was also present.



Syed Modasser Ali, prime minister's health affairs adviser, inaugurates a hospital for garment workers in Chittagong yesterday. Abdus Salam Mursheedy, president of Bangladesh Garment Manufacturer & Exporters Association that built the hospital, is also seen.

Agriculturists observe Krishibid Day today

STAR BUSINESS REPORT

Krishibid Institution, a platform of 25,000 agriculturists, will observe February 13 as Krishibid Day every year from now.

The institution will observe the day to mark Bangabandhu Sheikh Mujibur Rahman's acceptance of the demand for giving agricultural graduates the status of first-class officers in civil service, organisers said.

Graduates from agricultural universities were regarded as second-class officials prior to that, although doctors or architects enjoyed the status of first-class officers.

The day will be marked by rallies and discussions, the organisers said at a press conference at Dhaka Reporters Unity yesterday.

Bangabandhu accepted the demand of agricultural graduates at a gathering at Bangladesh Agricultural University on this day of 1973, said AFM Bahauddin Nasim, secretary general of Krishibid Institution.

Nasim said the recognition later encouraged many to study agriculture, and contribute to agricultural research and technology generation in the country.

"The extraordinary effort of agriculturists has brought a revolutionary change to agriculture. The production of food grains has grown five-fold to 3.5 crore tonnes now, from 60-70 lakh tonnes immediately after independence," said Nasim.

Nazrul Islam, senior vice-president of Krishibid Institution, was also present, among others.

Textile and garment machinery show kicks off today

STAR BUSINESS REPORT

A four-day exposition starts in Dhaka today to showcase textile and garment machinery.

Jahangir Alamin, president of Bangladesh Textile Mills Association, said at a press conference yesterday that the association has been organising the annual event, Dhaka International Textiles and Garments Machinery Exhibition, for the last eight years.

"Such an event is a reflection of how Bangladesh's garment makers are progressing. We are the third largest supplier of garment products, followed by China and Turkey, and we have a chance to claim the second spot in future if the potential could be properly tapped."

"The government should create an investment-friendly environment and build infrastructures to run business

smoothly," Alamin added.

He said machinery used in textile and garment, dyeing and finishing, embroidery and knitting would be put on display at the fair.

A total of 620 leading textile and garment machinery producing companies from 31 countries are likely to exhibit their products.

Textiles and Jute Minister Abdul Latif Siddiqui is expected to inaugurate the fair at Bangabandhu International Conference Centre.

Leading companies from Austria, Bangladesh, Belgium, Brazil, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Korea, Malaysia, Netherlands, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, UK and USA is participating in the exhibition.

Temasek pays \$1.7m telecom fine

AFP, Singapore

Singapore state investment firm Temasek Holdings said Friday it had paid a 15 billion rupiah (\$1.7 million) fine imposed for breaching anti-competition laws in Indonesia's telecoms sector.

In a statement, Temasek confirmed paying the fine imposed by Indonesia's Business Competition Supervisory Commission, or KPPU.

The commission ruled in November 2007 that Temasek was guilty of anti-competitive behaviour through its stakes in Indonesia's two biggest domestic

mobile phone operators, PT Telkom and PT Indosat.

Temasek said it made the payment in compliance with an Indonesian Supreme Court ruling that upheld the commission's decision, but maintained it has "never been involved" in any irregularity.

Analysts said Temasek decided to pay the fine to avoid damaging further investment in Indonesia.

"I think that they clearly are looking to Indonesia as a potentially lucrative market for their investments," said David Cohen, director of Asian economic forecasting at Action Economics.



Alexander Pinkas, chief executive officer of DS-concept Factoring (DSCF), and QR Chowdhury, president of Bangladesh Garment Buying House Association (BGBA), pose along with members of DSCF and BGBA during their first seminar at the latter's office in Dhaka recently.