

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES					
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▼ 0.60%	▼ 0.55%	\$1,619.00 (per ounce)	\$97.12 (per barrel)	▼ 1.21%	▼ 1.45%	▼ 0.12%	▼ 0.54%	BUY TK 74.00	104.86	119.74	0.94
6,587.81	12,140.24			18,209.52	9,901.35	3,189.85	2,708.78	SELL TK 75.00	108.83	123.70	1.03

# Star BUSINESS



**NCC BANK**  
Where Credit and Commerce Integrates  
www.nccb.com.bd

**Small Business Loan**

DHAKA FRIDAY JULY 29, 2011, e-mail:business@thedailystar.net

## Stress on clear info on transit benefits

**STAR BUSINESS REPORT**

Analysts and private sector leaders yesterday sought clear information on how Bangladesh would benefit from allowing transit to its neighbours: India, Nepal and Bhutan.

Some fear they would lose the business potential in India's north-eastern states, which they think could be Bangladesh's captive market for their geographical position.

They made the observation at a seminar on prosperity and growth through regional cooperation, at Sonargaon Hotel in Dhaka. A section of participants raised security concerns as a result of allowing transit to India.

Metropolitan Chamber of Commerce and Industry (MCCI) and Asian Development Bank (ADB) jointly organised the seminar. MCCI President Amjad Khan Chowdhury chaired the event attended by senior ADB officials, experts, civil-society representatives and businessmen.

Foreign Minister Dipu Moni who addressed the function as the chief guest came down heavily on those who fear that transit would affect security.

"The fear has kept Bangladesh away from so many benefits of regional cooperation and connectivity," said Dipu Moni.

"We could not avail ourselves of the submarine cable connectivity when it was offered free." The minister referred to Bangladesh's refusal to be linked with a regional connectivity over a decade ago.

"The fears of security were also raised when the gas pipeline was considered. As a result, we lost all opportunities."

"Precisely, the mindset has blocked us for 40 years," she added.

The minister, however, assured the people of ridding such concerns this time. "A government taskforce would look into all these issues."

The seminar was arranged at a time when there are lot of debates going on the transit and regional cooperation issues. Indian Prime Minister Manmohan Singh is scheduled to visit Bangladesh next month to discuss bilateral issues, including transit and connectivity in the region.

Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue, said the time has come to build connectivity. "But we have to know what our benefits are. It must be quantified."

On developing infrastructure for transit, Rahman said, "How do we really sequence investment for that and who will do that?"

Saiful Islam, former president of Dhaka Chamber of Commerce and Industry, said he doesn't know the cost and benefits of the transit. He is also concerned with the security issues.

Former finance adviser AB Mirza Azizul Islam said he is a strong believer of regional cooperation, including water sharing. He also said Bangladesh does not have adequate products for exports to India.

"The private sector has a role to align products to accelerate trade," said Islam.

## Govt to reshape trade bodies

**REFAYET ULLAH MIRDHA**

The government has taken a move to amend the rules of trade organisations to make their activities more vibrant and modern, said a statement yesterday.

In the draft copy of the regulations, the tenure of all trade bodies such as chambers and associations has been proposed to increase to three years from existing two years.

The draft copy is posted on the website of the commerce ministry for comments and suggestions from the persons concerned and stakeholders.

The new rules will be time-befitting, said a senior official of the commerce ministry who was involved in drafting the law.

He said, currently the trade organisations operate under the laws of 1961, which are not enough to ensure their smooth operations.

In some cases, the presidents or secretaries of the trade bodies stay in the posts beyond their tenure with the permission of the court, as there are a lot of loopholes in the present laws, he said. The proposed amendments will reduce the loopholes, he added.

Manzur Ahmed, an adviser to the Federation of Bangladesh Chambers of Commerce and Industry, said some provisions should be amended as those are old and do not go with the present situations.

A person has the right to be elected as many times as people want, he said. But, if the same person is elected every time, there remains a chance of abusing the power, he said.

Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, said a sub-committee of his trade body is working to give opinions to the draft amendments.

"Limiting the loopholes is a good side. Such a move will help make the trade organisations more dynamic and democratic," he said.

Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry, said the government should not impose tax on the income of the trade bodies and chambers as those are non-profit organisations.

## New banks to join a saturated market

**REJAUL KARIM BYRON**

Though the number of banks in Bangladesh is more than those in its neighbouring countries, the government now considers giving permission for setting up new banks.

According to Bangladesh Bank statistics, at present the number of local and foreign banks is 47, whereas the number is 21 in Sri Lanka, 39 in Pakistan and 26 in Nepal.

Even Malaysia and the Philippines have only 26 banks each.

However, being a big economy India has 90 banks. There are also some regional banks there.

In Bangladesh, three successive governments in 1980s and 1990s allowed setting up new banks, but after 2001 no new bank was approved rather some were merged.

When the BNP came to power in 2001, there was severe pressure to give approval to new banks but the central bank managed to outmaneuver the attempts.

From 2001 till date, the BB received applications for 82 new banks, and of them, applications for 20 banks were submitted during the Awami League's present regime.

More applications are in the pipeline, and many are still lobbying for permission.

On July 12, 2005, the BB board okayed a new policy for setting up banks and branches of foreign banks. The BB also decided that no more permission will be given for setting up new banks given the country's economy and size of the money market.

After the Liberation War in 1971 there were only six banks in Bangladesh and all of those were state-owned.

Later, during the Ershad regime nine banks were set up in the private sector including the denationalised Pubali and Uttara banks from 1982 to 1987.

During the BNP regime, eight new banks were approved from 1992 to 1996.

Later, the Awami League-led government gave permission to 13 private banks during 1999-2001. After those no licence was given for opening new banks.

After the Awami League-led grand alliance assumed power for the second time in 2009, the process of allowing two more banks was initiated, putting forward various reasons in the favour of the move.

Twenty persons applied this time. Among the big shots, Awami League Presidium Member Mohiuddin Khan Alamgir has so far submitted applications twice.

Also the chairman of the parliamentary standing committee on public accounts, Alamgir submitted an application in April 2009 to set up SME Bank. Md Mojibar Rahman, MA Rashid and AHM Tajul Islam were mentioned as the directors of the proposed SME Bank.

In 2010, Alamgir filed another application for a new bank, The Farmers' Bank Ltd. Md Atahar Uddin and Ebadul Karim were proposed as the directors of the bank.

An application for setting up Modhumati Bank Ltd was submitted in 2010.

Awami League lawmaker Sheikh Fazle Noor Taposh is one of the directors of the proposed bank.

Other directors of the bank are Humayun Kabir and Sheikh Salahuddin.

National Professor Kabir Chowdhury, Prof Deen Mohammad and Prof Azizur Rahman have taken initiative for setting up Self Employment Bank.

PART II ON B3 reefat@thedailystar.net

PART II ON B3



emirates.com/bd

**Emirates**

Emirates has taken luxury to new heights. Our First Class Private Suites feature wide screen entertainment, a flat-bed massage seat, work space, private mini bar and fine dining room service. So no matter where you are going, you know where you want to be.

**A matter of style.**

Emirates First Class Private Suite.  
A luxurious journey guaranteed. Fly Emirates. Keep discovering.

First Class: 2 nights free stay at Armani Hotel Dubai or Jumeirah Zabeel Saray  
Business Class: 1 night free stay at Dubai Marina or Jumeirah Emirates Towers

Elevate your home décor with designer furniture from

**KODA™**  
Singapore

242 Gulshan Link Road, Dhaka 1208  
t: 8822511-2. m: 01713 186 770-1  
www.kubebd.com

**KUBE™**

**EARN GLOBALLY, SAVE LOCALLY**

Secure your financial future through a deposit pension scheme

Mutual Trust Bank presents **NRBDPS**  
deposit pension scheme

To know more, please contact any of the branches or  
017 3008 0697, info@mutualtrustbank.com  
www.facebook.com/Mutual.Trust.Bank

**মুতুয়াল ট্রাস্ট ব্যাংক লিমিটেড**  
**Mutual Trust Bank Ltd.**  
you can bank on us

www.mutualtrustbank.com

The new C-Class. 125! years of innovation



It's a C-Class but not as you know it

A very warm welcome! There's no service here - just the functionality of a cockpit that is totally driver oriented. All the controls are to be found exactly where you'd expect them to be in a sports car.

Take a test drive to experience the agility and beyond.

**Mercedes-Benz**  
The best or nothing.

Rancon Motors Limited, 215, Tejgaon I/A, Bir Uttam Mir Shawkat Sharak, Dhaka-1208, Bangladesh. Tel: +88 01713 142101, 01713 142098

Air Transport World 2011 Airline of the Year. Terms and conditions apply. Offer valid from 1st August to 30th September on select routes. The above features are available on select aircraft. Hotels are subject to availability. For more details visit emirates.com/bd or call Emirates on 9992801 (Dhaka), 725647 (Chittagong), 711200 (Sylhet). Copenhagen flights commence from 1st August 2011.