

# Regional connectivity needs cooperation: analysts

PART II

STAR BUSINESS REPORT

Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, said economic integration and cooperation between the South Asian countries should be conceived within the framework of regional economic integration, where all natural and environmental resources, facilities and opportunities should be utilised for the benefit of all countries in the region.

"Building up public opinion is important to ensure policy continuity," said Chowdhury.

Mamun Rashid, former country head of Citigroup, said he does not see any progress in removing non-tariff barriers imposed by India on Bangladesh's exports to its next-door neighbour.

Sultan Hafeez Rahman, director general of ADB's South Asia Department, said South Asia has been slow in promoting regional cooperation. As a result, the region has missed out on major opportunities, he added.

Thevakumar Kandiah, country director of ADB, said South Asia needs to grow more rapidly and equitably to bring prosperity and happiness. "Regional cooperation can play a critical role in ensuring



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**Foreign Minister Dipu Moni, second from left, attends a seminar on prosperity and growth through regional cooperation, jointly organised by Metropolitan Chamber of Commerce and Industry (MCCI) and Asian Development Bank (ADB), in Dhaka yesterday. Sultan Hafeez Rahman, director general of ADB's South Asia Department; Amjad Khan Chowdhury, MCCI president, and Thevakumar Kandiah, country director of ADB, were also present.**

long-term objective of cooperation," he noted.

Dipu Moni responded by saying that things are moving in the right direction and there is a lot of satisfaction that can be drawn from the progress.

"Governments are putting renewed emphasis to deepen relationships," she said. "We are not reinventing political will here. That already exists."

She said connectivity will remove unnecessary delays at land customs

and faced by private businesses. The minister urged development partners and the private sector to come up with investment to build the regional connectivity.

On the NTBs, Dipu Moni said, "Things are progressing."

Intra-regional trade of South Asia is the lowest in the world with less than 5 percent of the region's total trade. But the trade is 26 percent among the Asean countries, 52 percent in NAFTA and 58 percent in European Union.

# No to new banks

PART II

REJAUL KARIM BYRON

Entry of new banks will create an unhealthy competition in the industry, said former governor of the Bangladesh Bank.

Salehuddin Ahmed also said there is no logic to allow new banks now; rather the small banks could be merged.

The former governor said no country in the world having the size of Bangladesh has so many banks.

Vice Chairman of Policy Research Institute (PRI) Sadiq Ahmed said the central bank should make a proper analysis before taking decision on setting up new banks. He said several other issues have to be considered prior to giving permission to new banks -- in which criteria the banks will be allowed, and the ownership quality of the licence seekers.

A BB official said the number of banks is highest in Bangladesh among the countries in the subcontinent. If gross domestic product, per capita income, foreign exchange reserve, and export and import of the country are taken into consideration, the size of the economy of Bangladesh, Sri Lanka, Nepal and Pakistan are almost the same.

The official said, given the size of the economy and demand for banking services, it seems that the scope for allowing new banks is limited in Bangladesh, rather in the last 10 years a good number of

SOME PROPOSED BANKS	
NAME OF BANK	SPONSOR DIRECTORS
Capital Bank Ltd	DR SM Shawkat Ali, Nazim Asadul Haque, Ajmat Rahman, Dr Mostafizur Rahman
Probashi Commercial Bank Ltd	Farasot Ali, Manzurul Islam, Dr Mahfuzur Rahman and Kutubuddin Ahmed
The Bank of NRB Ltd	Mollah Fazlur Rahman, Nizam Chowdhury, Arifur Rahman
Rupayan Bank Ltd	Md Liakat Ali Khan Mukul
Urban Development Bank Ltd	Md Sajjadul Islam Tanveer, Md Helal Miah, Md Mohsin Uddin Niru
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Bond and Mortgage Bank	KT Ahmed
TMSS Small Capital Bank	Prof Dr Hosne Ara Begum
Express Bank Ltd	Md Nasim Ahmed, Md Shahriar Alam, Md Ebadul Karim
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Apollo Bank Ltd	Dr Md Shamsul Haque Bhuiyan, Enamul Haque, Sheikh Humayun Rashid, Dr Anwara Haq
Union Bank Bangladesh Ltd	Md Ziaul Hasan
Amader Bank Ltd	Syeda Noor Afza
People's Bank Ltd	Md Wahidur Rahman

banks were merged.

In the past decade, Muslim Commercial Bank and Bank Scotia merged with local Bank Asia, while Grindlays Bank and American Express Bank with Standard Chartered Bank.

During the tenure of the present government, Ban-

gladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha went for a merger and took a new name, Bangladesh Development Bank.

Citing an example, analysts also said the proposed Probashi Kalyan Bank was not necessary as its functions could be carried out by existing Karmasangsthan

Bank.

Bankers said there was no need for a separate bank for the non-resident Bangladeshis.

They said the NRBs can meet their banking needs through the traditional banks, and can invest in the country's infrastructure sector.

## BB raises target for farm credit

STAR BUSINESS REPORT

The central bank has set a target for local and foreign banks of disbursing Tk 13,800 crore in agriculture loans for this fiscal year. The target is 9.4 percent higher than in the previous fiscal year.

The banks have disbursed 97 percent of last year's Tk 12,600 crore target, Bangladesh Bank said in a statement yesterday.

In a meeting, Bangladesh Bank Governor Atiur Rahman yesterday urged top bankers to achieve the annual target.

If anybody faces difficulty getting the agriculture loan he can lodge complaints with the central bank's help desk at its headquarters or regional offices, Rahman said.

The central bank chief also said an inspection department has been opened at the BB headquarters to monitor whether farm loans are distributed hassle-free and farm and SME loans were being used properly.

A new agricultural/rural credit policy for fiscal 2011-12 was handed over to the banks. According to the policy, no CIB report will be required in distributing up to Tk 1.5 lakh short-term agriculture loans. A sanctioned loan must be distributed in 10 days, the policy says. The loan can also be distributed through the farmer's account of Tk 10.

## GSK to cut medicine prices

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GlaxoSmithKline (GSK) is set to cut prices of a number of vaccine and pharmaceutical products marketed in Bangladesh by up to 61 percent, starting in August.

The price cut is GSK's Action for Access healthcare initiative to provide healthcare in the least developed countries within people's ability to pay, said Duncan Learmouth, chairman of GSK Bangladesh, in a press briefing in Dhaka yesterday.

GSK will charge prices for its patented products such as medicines and vaccines in LDCs at no more than 25 percent of the West European average price, he added.

GSK Bangladesh, a subsidiary of the UK-based GSK Plc, started its operation in 1949 in Chittagong. The company offers vaccines for the prevention of hepatitis, influenza, chickenpox, diphtheria and tetanus.

The new prices will be effective for nearly 15 vaccine and 5 pharmaceutical products, said M Azizul Huq, managing director of GSK Bangladesh.

The price of cervical cancer vaccine will come down to Tk 1,400, a 61 percent decline, and the price of hepatitis A vaccine will be reduced by 20 percent, he said.

The pharmaceutical company also said GSK Bangladesh will reinvest 20 percent of the profit made in the country in healthcare infrastructure as per its global commitment.

## Western Marine delivers vessels today

DWAIPAYAN BARUA, Chittagong

Western Marine Shipyard will deliver three vessels and a ro-ro ferry to its German buyer and Bangladesh government today in Chittagong.

Two of the three vessels are the third pair of ice-class large vessels -- named EMS Wave and EMS Tide -- each having a capacity of 5,200 dead-weight tonnage and 12 nautical miles per hour cruising speed. Germany's Grona Shipping GmbH will take the delivery.

A pilot vessel, PV Rakkhi, will be handed over to the Chittagong Port Authority and a ro-ro (roll-on/roll-off) ferry Bir Sreshtho Ruhul Amin will be delivered to Bangladesh Inland Water Transport Corporation, said Western Marine officials at a press conference yesterday.

Shipping Minister Shajahan Khan is scheduled to attend as chief guest at the vessel delivery ceremony at CPA Marine Workshop Ghat at Agrabad around 10am.



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