

# BB proposes overhaul of banking rules

## The move promises to ensure better governance in the sector

REJAUL KARIM BYRON

The central bank has proposed extensive amendments to the banking law, including changes to the definition of default loan and lenders' involvement in the capital market, to ensure better governance in the sector.

A finance ministry official said the central bank sent the 75-page proposal to the Banking Division early this month.

In line with the proposal, Bangladesh Bank (BB) will have to have the right to make public any information regarding loan defaulters in any form.

The existing law does not explicitly allow this disclosure.

The official said the government will form a committee led by a former secretary or additional secretary to scrutinise the BB proposal.

The committee will also include representatives from different ministries and the business community.

The initiative to amend the Banking Companies Act was taken during the immediate past tenure of the BNP government, but it could not be realised due to opposition by various influential quarters.

Even during the immediate past caretaker government, a law was

promulgated through an ordinance but after the present government assumed power the ordinance did not get passage in parliament.

Former deputy governor of the central bank Nazrul Huda was actively involved with the formulation of the draft law when it was first introduced in 1991. He was also closely related with the amendment process.

Huda said the world economic system went through a lot of changes in recent times. In light of that, the amendments to the Banking Companies Act are essential, he said.

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# Marketing summit ends with Dhaka Declaration

STAR BUSINESS REPORT

The World Marketing Summit (WMS) yesterday adopted a ten-point declaration with focus on a year-long research into health, education, environment and food security.

The Dhaka Declaration was adopted at the closing session of the three-day summit in Bangabandhu International Conference Centre in Dhaka.

"We will establish two incubators in Bangladesh targeting the health and education sectors," said Syed Ferhat Anwar, chairman of WMS, while reading the declaration.

He said the health incubator will focus on micro health insurance, targeting the garment workers in the country, which will compliment their

WMS FOCUSES ON ...

- ▶ HEALTH AND EDUCATION
- ▶ MICRO HEALTH-INSURANCE FOR GARMENT WORKERS
- ▶ EMPLOYMENT FOR HIGH-SCHOOL DROPOUTS

earnings.

The education incubator will focus on creating employment for high school dropouts through skills development in IT enable services education, said Anwar, who is also a marketing professor at Institute of Business Administration.

The two incubators will be coordinated by the Kotler Centre for Marketing Excellence of the University of Dhaka, he added.

The summit is a global initiative of popular marketing guru Prof Philip Kotler in association with the foreign ministry of Bangladesh.

The event provided a platform for marketing and branding experts to discuss how marketing principles, tools and insights may be used to solve world problems.

About 60 business leaders, entrepreneurs and heads of corporate bodies from across the world participated in the summit.

In his speech, Kotler said many people outside Bangladesh were not too familiar about the country. "They (foreigners) started getting familiar with Bangladesh when its great citizen Prof Muhammad Yunus received the Nobel Peace Prize."

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# RMG exporters see robust growth in new markets

REFAYET ULLAH MIRDHA

Garment exports to new destinations logged a robust growth last year, as the makers were looking for new markets due to the ongoing financial crisis in their traditional western markets.

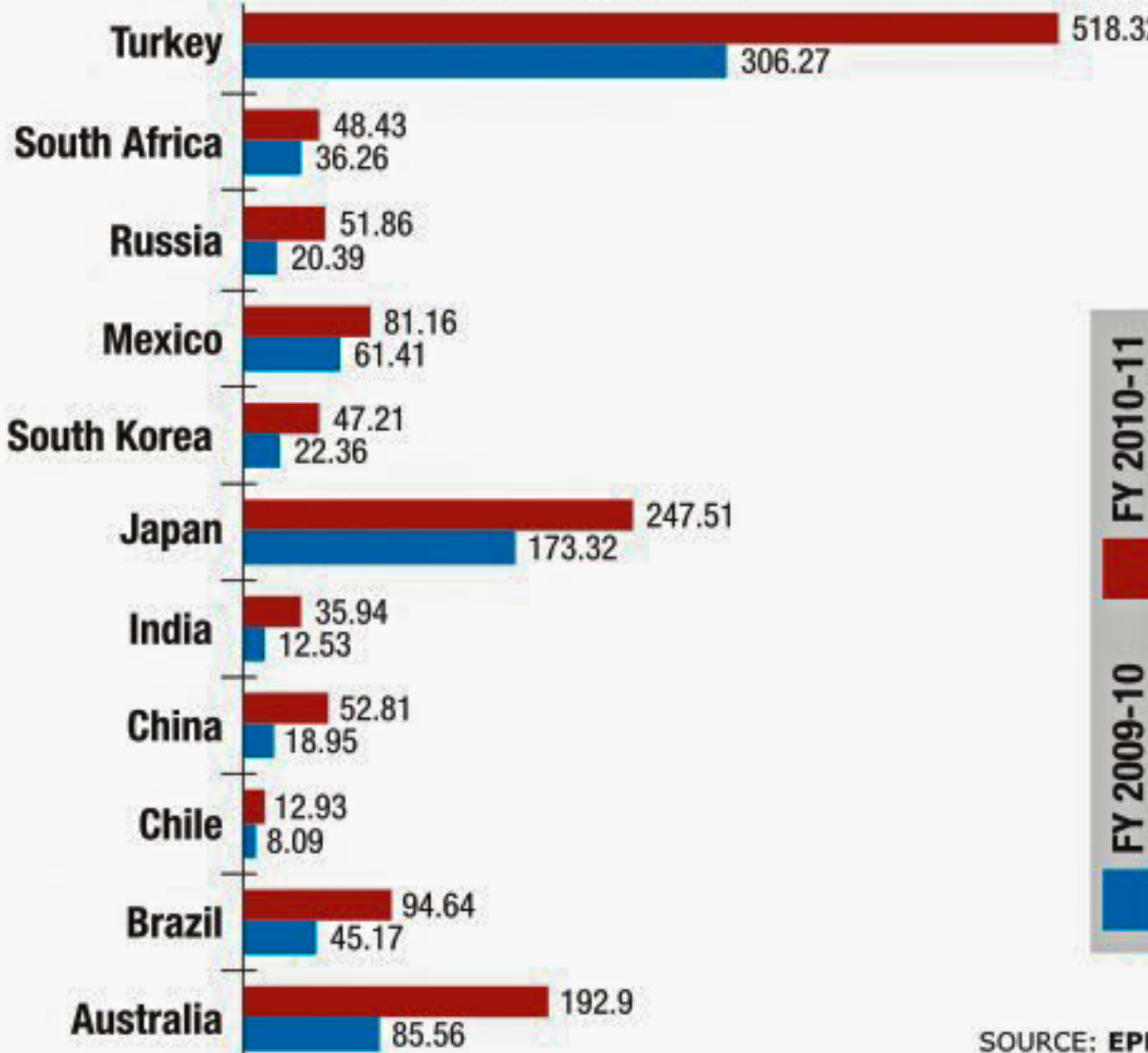
Garment makers said they started diversifying markets in the face of shrinking demand for apparel items during the global recession in 2007 and 2008.

Their aggressive marketing drive is paying off now, they added.

Markets except for the US, Europe and Canada, which take more than 90 percent of Bangladeshi garments, are considered the new export destinations.

However, although export growth is phenomenal for the new destina-

## GARMENT EXPORTS TO EMERGING MARKETS



tions, it is not high in terms of value compared with the traditional markets, according to data from Export Promotion Bureau.

Of the total earnings of \$17.92 billion from garment exports in fiscal 2010-

11, \$1.39 billion came from these 11 new destinations, with a 75.08 percent rise from a year ago.

Of the total earnings from the sector, \$10.51 billion came from Europe, \$4.62 billion from the US and \$894.67 million from Canada. Other countries accounted for \$491.57 million.

David Hasanat, chairman of Viyellatex Group, said it is true that Bangladesh has a huge potential in the new markets. "But we have to exploit the new destinations seriously to attract new buyers," he said.

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## Canada fair begins today

BUSINESS REPORT

The second Canada Showcase-2012 starts today to exhibit Canadian products and services to the customers in Bangladesh.

The showcase will take place at Sonargaon Hotel in Dhaka, said Masud Rahman, president of Canada Bangladesh Chamber of Commerce and Industry, yesterday.

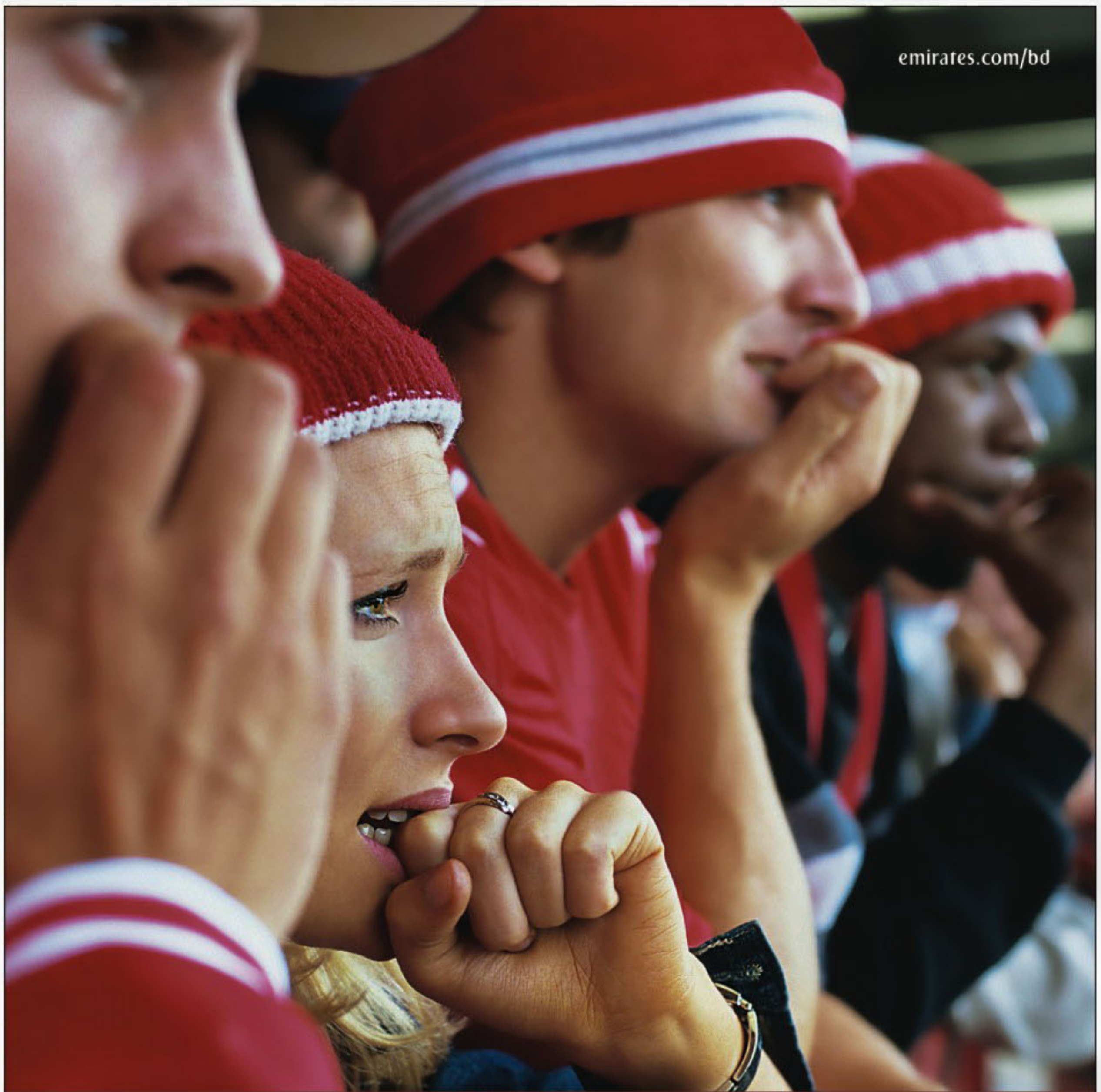
The chamber and Canadian High Commission in Dhaka are jointly organising the two-day show, he said.

Over 40 stalls of Canada and Bangladesh will showcase their products and services, he said, adding that six seminars will also take place on current business issues on the sidelines of the fair.

The bilateral trade between Canada and Bangladesh crossed \$1 billion mark in 2009, he said. In 2011, the export of Bangladesh to Canada was \$1.7 billion and import was calculated at \$555 million.

Ninety five percent of Bangladesh's export to Canada is garment items, he said. Bangladesh imports iron and steel, lentils, cereals, machinery, oil-seeds, electrical machinery and pharma-ceuticals, Rahman said.

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