

# HSBC launches awards to promote exporters

Companies can file nominations by April 30



From right, Noman Anwar, head of marketing and communications of HSBC Bangladesh; Andrew Tilke, chief executive officer; Mohammad Mahub-ur-Rahman, head of commercial banking; and M Shohiduzzaman, head of trade finance, attend a press meet at Ruposhi Bangla Hotel in the capital yesterday where the bank announced the third edition of its Export Excellence Awards for Bangladeshi exporters.

## STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation (HSBC) Bangladesh yesterday launched its Export Excellence Awards for a third year to recognise five exporters for their outstanding performance in 2011.

"Exports not only keep our economy thriving, but also position the Brand Bangladesh across the world," said Andrew Tilke, chief executive officer of HSBC Bangladesh. "As the world's leading international bank, HSBC is in a robust position to be a partner in this growth journey."

The five award categories are: readymade garments and textiles export-

ers (Group A and Group B), EPZ enterprises, traditional and emerging sectors, and SMEs.

"Recognising exporters would play an important role in the promotion of exports and its diversification, and achieving excellence," Tilke told the press at Ruposhi Bangla Hotel in Dhaka. "It is an initiative of the bank to recognise the outstanding growth of Bangladesh exports."

Mohammad Mahub-ur-Rahman, head of commercial banking of HSBC Bangladesh, said the award is an attempt to dig up opportunities for the bank to see how to facilitate the country's growing exports.

HSBC divided RMG and textiles

exporters into two categories as these sectors account for a majority of the country's exports.

RMG exporters with annual export turnover worth \$50 million or more are in Group A, and Group B covers those with less than \$50 million in annual export turnover, HSBC said.

Companies in the export processing zones will be awarded under the EPZ enterprises category.

The non-RMG or textiles companies with annual export turnover worth \$3 million or more will be awarded under the traditional and emerging sectors category.

The SME category is for the non-RMG or textiles companies with annual export

turnover less than \$3 million.

Local exporters can also participate in the programme by filling out a nomination form on the bank's website.

The deadline for nomination submissions is April 30.

The Daily Star, Prothom Alo and Bangladesh Brand Forum are the strategic partners of the event.

M Shohiduzzaman, head of trade finance, and Talukdar Noman Anwar, head of marketing and communications of HSBC, also spoke.

Inam Ahmed, deputy editor of The Daily Star, and Shariful Islam, founder of Bangladesh Brand Forum, were also present.

# Air operators may face safety audit

SHARIFUL ISLAM

An international safety audit may decide within a couple of months whether Bangladesh will come out of the list of countries having unsafe civil aviation system.

Bangladesh has been on the list of significant safety concern (SSC) countries since May 2009.

The last safety oversight audit by International Civil Aviation Organisation (ICAO) in 2009 found that air operators in Bangladesh were not complying with local and international regulations.

A two-member Bangladesh delegation went to the regional office of the ICAO in Thailand yesterday on a two-day visit to invite the global civil aviation regulator for the audit, said officials at Civil Aviation Authority of Bangladesh (Caab).

During the visit, Civil Aviation Secretary Ataharul Islam and Caab Chairman Air Commodore Mahmud Hussain will also apprise the regulator of the Caab measures introduced in line with the recommendations of the ICAO.

"Several European countries have already warned of imposing restrictions on flights coming from any safety concern countries. So this audit is very significant for Bangladesh," said a top Caab official, asking not to be named.

M Saeedul Hasan Khan, member (operations and planning) of Caab, however, expressed optimism about coming out of the SSC list.

"We've already implemented some corrective measures and an ICAO expert has expressed satisfaction over our activities. So we are hopeful of coming out of the list," he told The Daily Star recently.

On the corrective measures, Caab officials said they have already ensured certification of international air operators complying with international rules and surveillance on air operators.

Besides, review and approval of air operators' flight safety system and operations manual have been confirmed.

The Caab has already recruited enough officials to implement the measures.

Following the 2009 audit, the Caab had conducted an assessment of the local air operators on compliance performance and found them wanting.

The ICAO had asked the Caab to suspend air operators complying less than 50 percent of its standards.

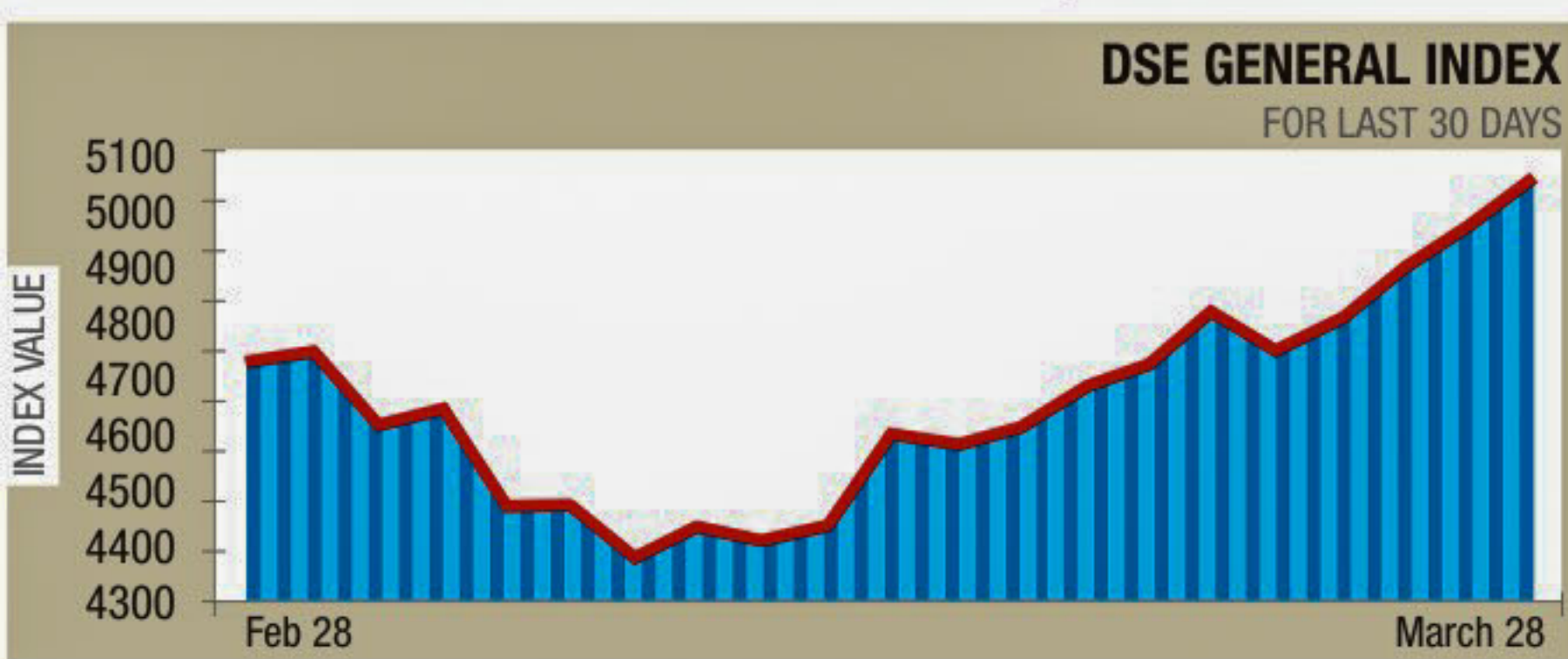
Following the directive, the Caab had suspended the operations of Mid Asia Airlines, Voyager Airlines, Best Aviation and THT Air Services. These operators, though, had become almost inoperative by the time due to their own problems.

Although local operator GMG Airlines Ltd could maintain only 30 percent of the ICAO standards, the Caab did not suspend its operations. This in turn irked the aviation regulator and prompted it to place Bangladesh on the SSC list, said the Caab official.

The ICAO in the meantime also decided not to issue any designator code, required for international operations, to any new airline until Bangladesh comes out of the SSC list.

The global regulator did not issue the designator code to Regent Airways and Easy Fly Express Ltd to start international operations.

# Dhaka index soars above 5,000 points



## STAR BUSINESS REPORT

The benchmark index of Dhaka Stock Exchange yesterday broke through the psychological barrier of 5,000 points showing signs of stability in the market. The index rose for the fourth straight session.

The General Index reached 5,038 points, the gauge's highest level since January 18, after gaining 2.02 percent or 99.79 points at the end of the day's trading.

Optimism returned to the market which had experienced high volatility through the preceding year following a price debacle in January-February of 2011, operators said.

In February, DGEN touched 3,600 points, the lowest in more than two years.

After that, the market began to rebound slowly. The market gained its momentum in the last two weeks, when the DGEN declined in one session.

"As investor confidence got another boost, fresh funds seem to be entering the market, reinforcing the rising trend of the turnover over the past few days," IDLC Investments Limited said in its regular market analysis.

"The DSE continued its upward move-

ment as the retail investors were feeling optimistic about the market," Green Delta LR Holdings said in its daily market commentary.

"The daily turnover was further upped due to heavy trades of Grameenphone, Titas Gas and Beximco."

Turnover gained 9.2 percent yesterday, compared to the previous day. A total of 1.87 lakh trades were executed, generating a turnover of Tk 821 crore -- the highest in the last four months -- with 16.09 crore shares and mutual fund units changing hands on the DSE.

Prices of 212 issues gained, 42 declined and 11 remained unchanged.

Grameenphone topped the turnover leader with 20.26 lakh shares worth Tk 39.51 crore changing hands.

BANGAS was the biggest gainer of the day as it posted a 9.96 percent rise. The Fifth Investment Corporation of Bangladesh Mutual Fund slumped 6.89 percent only to be the worst loser.

The telecoms sector gained 4.94 percent, followed by power 3.95 percent, non-bank financial institutions 3.03 percent, pharmaceuticals 2.85 percent, while banks were marginally up 0.26 percent.

# Delay in project a tragedy: WB

## STAR BUSINESS REPORT

The World Bank yesterday termed the delay in approving and implementing the donor-funded projects in Bangladesh a tragedy.

Ellen Goldstein, the WB country director in Bangladesh, said: "In some instances, development partners are waiting one to two years after the signing of a financing agreement with the government for an approved development project proposal allowing activities to begin and money to flow."

"This is a tragedy for the people of Bangladesh. Equally frustrating can be slow procurement processes, some of which raise red flags and must be cancelled or re-bid, adding to lengthy delays," she said.

Her comments came at a meeting of Local Consultancy Group at the Economic Relations Division in Dhaka at a time when donors' money continued to pour into the country, with outstanding commitments now standing at \$13 billion.

"Aid commitments are at record highs. Project disbursements are running at the same pace as last year, and are no cause for immediate alarm," she said.

She also said project disbursements could accelerate significantly above trend if structural obstacles were addressed, particularly the project approval/revision process, public procurement and

staffing continuity.

"While we have no cause for immediate alarm over aid disbursements, we should be working together to accelerate implementation, particularly given the size of outstanding aid commitments and subsequent decline in the disbursement ratio."

Goldstein said their joint analysis points to a few obstacles where immediate action is needed and possible.

"Perhaps the most binding constraint for many development partners is the cumbersome project approval and revision process, embodied in the Development Project and Technical Assistance Proformas (DPP/TPP)."

The WB's Bangladesh chief said, another source of concern is frequent turnover of project staff -- often within mere months of appointment.

"Let me hasten to add that changes in donor staff and lengthy donor procedures can also cause frustration for the government."

She said growth of credit to the private sector has slowed, which could dampen investment and growth in Bangladesh.

This situation is admittedly difficult, calling for strong fiscal discipline on subsidies and other public expenditure management going forward, even as the government seeks additional support from partners to relieve fiscal pressures.

"In addition, a strong focus is needed on the quality of public spending, in order to ensure that every taka is used to maximum effect and waste is minimised."

Goldstein said the government can build confidence among development partners by redoubling efforts to strengthen public financial management and promote transparency, accountability and good governance.

"Bangladesh's development partners are committed to Paris Declaration principles calling for greater country ownership and use of country systems to implement aid-funded activities."

The Joint Cooperation Strategy signed by 18 development partners in Bangladesh underscores this commitment, she added.

At the same time, the WB official said partners require adequate fiduciary safeguards to ensure that aid resources are used for the purposes intended.

She said the development partners are focusing on absorption of aid flows, as this has been a source of concern for the government and its partners.

"Adequate absorption is indeed a prerequisite to achieving the goals of development interventions. But it is not enough to disburse the funds. We must ensure that funds support activities that produce desirable results for intended beneficiaries."

# BTRC signs satellite deal with US firm today

## STAR BUSINESS REPORT

The government will sign an agreement with a US firm, Space Partner International (SPI), today to launch the country's own satellite, Bangabandhu-1.

The deal will be signed at the office of Bangladesh Telecommunication Regulatory Commission, the telecom regulator said in a media invitation.

The installation cost of the satellite is around Tk 3,000 crore, said Golam Razaque, director of the satellite project.

Razaque said the consulting firm will design the satellite, manage ground station, survey the market globally, will initiate training for the local experts. The firm will work for launching the satellite in three years, he said.

The satellite will have a 15-year life span and be able to recover the project cost within five years of its launching, the project director said.