

Atiur spurs banks on CSR

STAR BUSINESS REPORT

Commercial banks and financial institutions should increase their activities for corporate social responsibilities to develop the country, said Atiur Rahman, governor of Bangladesh Bank.

He spoke at a programme on "CSR for banks and financial institutions" at Lakeshore Hotel in the city yesterday. The CSR Centre in collaboration with Bangladesh Association of Banks and Association of Bankers' Bangladesh organised the event.

CSR entails voluntary observance of non-binding 'soft law' social and environmental obligations, beyond compliance compulsions with binding laws and regulations, according to Rahman.

The governor said the 'ISO-26000' published by the International Standards Organisation codifies a set of common guid-

ance on concepts, definitions and evaluation methods for the social responsibility obligations of organisational entities.

Uniform CSR reporting formats developed by the Global Reporting Initiative, a forum of civil society organisations, is being used by large businesses in developed countries, he said.

"BB's 2008 CSR guidance circular aimed at positioning our banks and financial institutions as pioneers in ingraining and internalising CSR in corporate goals and objectives, becoming role models for their borrower non-financial businesses to emulate."

"Response of our banks to BB's CSR guidance circular has thus far been very encouraging," he said.

He said reported direct expenditure of banks on CSR initiatives have grown tenfold in 2010 compared to 2007.

"Our banks have also engaged enthusiastically and robustly in the BB sponsored financial inclusion campaign to reach out to the un-served and underserved population segments and economic sectors."

To flesh out the current and rather sketchy CSR reporting practices of the country's banks into globally comparable well-rounded reporting formats, they can usefully look at the reporting approaches of their correspondent banks in developed countries, he said.

He said the country's banks can join hands in collective initiatives taking up larger scale, higher impact CSR initiatives not affordable by individual banks.

"Most of our non-bank financial institutions are yet to join the mainstream of CSR initiatives and they can begin with CSR engagements of their own, or join hands with banks in collective efforts."

Tannery owners question quality of CETP construction

STAR BUSINESS REPORT

Tannery owners yesterday questioned the quality of the ongoing construction work of the central effluent treatment plant (CETP) in Savar, as no representative from the tannery owners is included in the process.

"We want a high quality CETP to be set up at Savar as the future of the tannery industry depends on it," said Abdul Hye, an adviser to the Bangladesh Tanners Association.

Hye spoke at a seminar on "Relocation of tanneries: scope and opportunity for green leather sector of Bangladesh" co-organised by the industries ministry and EU Switch Asia Re-Tie project in Dhaka.

"The government should form an advisory committee, comprising tannery owners, government officials and technical experts to monitor the

construction of the site," he said. Hye said the government should authorise the committee to oversee all the activities from material procurement to machine installation as it will ensure higher quality of the project.

The government awarded the construction job to a joint venture Chinese company last month which is working to install the plant at a cost of Tk 477.46 crore at the under-construction Savar Leather Industrial Park.

Around 195 tanneries at Hazaribagh in the capital discharge untreated toxic waste directly into the Buriganga. The park, however, will be able to house 155 tanneries

In 2003, the government took preparations for the leather park project, which would cost Tk 545 crore. A 200-acre land has already been developed for the leather park at Hemayetpur in Savar.



SINGER
AM Hamim Rahmatullah, chief executive officer of Singer Bangladesh, inaugurates an exclusive dealer shop of the company -- Electronic Plus -- at Mojompur in Kushtia town recently. Mokbulla Huda Chowdhury, sales director, was also present.

The poor get wider financial access: WB

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The report shows three quarters of the world's poor do not have a bank account, not only because of poverty, but also because of the cost, travel distance, and amount of paper work involved in opening one.

It said those without access to formal banking often have to rely on moneylenders who often charge high fees. The "unbanked" are also less likely to start their own business or insure themselves against unexpected events.

"Providing financial services to the 2.5 billion people who are 'unbanked' could boost economic growth and opportunity for the world's poor," said World Bank Group President Robert B Zoellick.

Nine out of 10 adults in high-income economies report having an account at a formal financial institution, according to the report. In East Asia and Pacific, 28 percent of adults reported having saved at a formal financial institution in the past 12 months, compared to 10 percent in the rest of the developing world.

The data was collected by Gallup, Inc using the Gallup World Poll Survey. The Bank's Development Research Group is building the database with a 10-year grant from the Bill & Melinda Gates Foundation.

The Global Findex fills a major gap in the financial inclusion data landscape and is the first public database of demand-side indicators that consistently measures individuals' usage of financial products across countries and over time.

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BANK ASIA
Mohammed Lakiotullah, vice chairman of Bank Asia, inaugurates a branch of the bank at Hajiganj in Chandpur yesterday. Md Mehmood Husain, managing director, was also present.



PRIME BANK
Shirajul Islam Mollah, chairman of Prime Bank, cuts a cake at a programme to celebrate the bank's 17th anniversary at its corporate head office in Dhaka on Tuesday. Md Ehsan Khasru, managing director, was also present.

FINANCIAL STABILITY REPORT Eurozone crisis threatens global financial markets: IMF

REJAUL KARIM BYRON, From Washington

The euro area debt and banking system crisis still threaten global financial markets despite some recent policy relief, the International Monetary Fund said on Wednesday.

Recent important policy steps have brought a much-needed relief to euro-area financial markets, with bank funding markets being reopened partly and equity prices recovering, it said.

European banks remain under pressure from weak growth and high debt repayments. They need to strengthen their balance sheets by reducing assets and increasing their capital, a process known as deleveraging, to regain investor confidence, the IMF said in its latest Global Financial Stability Report.

"While subsequent policy actions eased euro area bank funding strains and helped stabilise sovereign markets, the risks to global financial stability remain elevated," the report said.

José Viñals, financial counselor and director of the IMF's monetary and capital markets department, released the report at a press briefing at the headquarters of the global lender in Washington.

"So far, current policies have prevented a 'credit crunch', but if financial stress intensifies and synchronized deleveraging by European banks could seriously damage asset prices, credit supply and economic activity in Europe

and beyond would shrink," said Viñals.

"Policy actions have brought gains but current efforts are not enough to bring lasting stability. It is too soon to say we have exited the crisis. Pressures on European banks remain."

The report was released the day after the IMF issued its outlooks on global growth and government debts and deficits, which show growth is expected to be weak, and cutting deficits by too much and too quickly could pose risks.

The IMF said countries should continue to reduce government deficits while supporting growth. This can be done through accommodative monetary policy, a sufficiently gradual withdrawal of fiscal support in countries not subject to financial market pressures, and structural reforms that raise productivity and strengthen competitiveness.

The risks to financial stability are not confined to Europe, with high fiscal deficits in Japan and the United States, according to the IMF. Both countries require deficit reduction plans that protect growth in the next few years and reassure financial markets that government debts will be brought down to more sustainable levels.

Emerging economies will have to cope with the fallout from the euro area crisis, particularly as European banks with significant presence in emerging European economies might lend less as they shrink their balance sheets and sell off assets, the IMF said.

IMF receives \$320b in fresh pledges

REJAUL KARIM BYRON, From Washington

The International Monetary Fund received pledges worth about \$320 billion as of Wednesday as it seeks to increase the fund's lending resources, the IMF chief said yesterday.

Christine Lagarde, managing director of the Washington-based lender, said she had received commitments of \$34 billion on Wednesday, including \$8 billion from Poland and a substantial amount from Switzerland.

"I salute their enduring support for the spirit of multilateralism. Ensuring that the Fund has sufficient resources to tackle crises and to promote global economic stability is in the interests of all our members."

"This brings to about \$320 billion the commitments received so far," she said.

"I am, or course, very encouraged by this strong demonstration of support for the Fund, and I look forward to further commitments from our broader membership," she said.

The IMF is trying to obtain more than \$400 billion from finance officials from around the globe, who meet this week in Washington under the auspices of the Group of 20 nations and the IMF and World Bank.

Europe has already said it would provide about \$200 billion to the IMF and Japan pledged \$60 billion on Tuesday, becoming the first non-European nation to make a commitment.

Sweden said it would commit \$10 billion and increase the amount to \$14.7 billion later, while Denmark said it would give \$7 billion. Norway pledged about \$9.3 billion.

PM's adviser proposes energy research agency

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"I think we lack specific focus on providing energy services to the poor. That has to be focused in our strategy," he said.

Chowdhury said the most important thing is energy efficiency and conservation. He urged the chambers and trade bodies including Bangladesh Garment Manufacturers and Exporters Association to look into ways how industries can use energy more efficiently.

He gave an example of an Italian businessman stationed at Dhaka Export Processing Zone, who has achieved energy efficiency of more than 90 percent.

"Innovations are there. We need to scale up. We need cooperation from industries particularly," said Chowdhury, adding that the Italian businessman also showed that it would take a couple of years to recoup the initial investment meant for energy efficiency.

The adviser said, as part of the strategy, the government is focusing on energy efficiency, conservation and other demand-side management. "We are focusing on how we can be frugal in terms of energy use."

Chowdhury urged the developed countries to come forward and spend some money to help implement projects like solar home systems across the country, which will allow Bangladesh to move faster on renewable energy.

With support from Global Environment Facility and the World Bank, Bangla-

desh has now one of the successful solar home system projects in the world.

The state-run Infrastructure Development Company Ltd has already set up 1.5 million of solar home systems in the country, adding 65 megawatt of electricity. It plans to install 2.5 million by 2014.

He said the government is giving final touch to the Bangladesh Renewable and Sustainable Energy Authority. "Hopefully, the conservation act will be passed."

"Albeit a small step, we are also finalising procedures to set up Bangladesh Energy Research Council."

Urs Herren, ambassador of Switzerland to Bangladesh, said having sizeable renewable energy will significantly impact the power grids.

He also said effective management is another important element to improve energy efficiency.

The envoy thanked the government for creating a platform, which will not only bring different ministries under one roof but also offer opportunities to the private sector to exchange dialogues with the government agencies.

Jahangir Saadat, president of Korean EPZ Corporation, Mahboob Sarwar-E-Kainat, director general of the power cell under the power, energy and mineral resources ministry, and Haider Ahmed Khan, senior vice president of Dhaka Chamber of Commerce and Industry, also spoke.



GREEN DELTA
Nasir Ahmed Choudhury, managing director of Green Delta Insurance Company Ltd, attends a seminar on the insurance sector organised by the firm at Ruposhi Bangla Hotel in Dhaka recently. Sheikh Kabir Hossain, chairman of Bangladesh Insurance Association, was also present.



NCC BANK
Mohammed Nurul Amin, managing director of NCC Bank, and Hossain Sarwar, chief executive officer of Japan Remit Finance Co, exchange documents of a remittance agreement recently. This is the bank's first official channel of remitting taka from Japan.

