

Bangladesh seeks low-cost migration to Malaysia

STAR BUSINESS REPORT

Bangladesh yesterday urged a Malaysian delegation to recognise it as a 'source country' of workers, which will cut the cost of migration to the Southeast Asian nation.

A six-member delegation led by Hanif Bin Omar, director of Malaysia's immigration department, arrived in Dhaka to assess the local procedure of hiring to make recommendations for recruitment from Bangladesh.

The drafting of labour from Bangladesh has been on hold since the beginning of 2009 after detection of malpractices in the recruitment process in Bangladesh.

The government would like the arrangement to be resumed as soon as possible with improved terms and conditions.

"If Bangladesh is a source country, our workers will be relieved of levy money," said Dr Zafar Ahmed Khan, secretary of the Expatriates' Welfare and Overseas Employment.

Malaysia's labour laws state that Malaysian employers are to pay the levy to recruit foreign workers. As has been the practice until the recruitment freeze, manpower agents and their brokers in connivance with the Malaysian employers passed the burden onto the jobseekers.

With that becoming the norm, the Bangladesh government fixed the levy at Tk 84,000. But the workers who went to Malaysia in 2007-08 had to spend up to Tk 2 lakh a person.

Such misconduct led to a freeze on labour recruitment from Bangladesh from early 2009.

In May, Khandker Mosharraf Hossain, the expatriates' welfare minister, visited Malaysia to persuade the government to restart labour recruitment from Bangladesh -- and he succeeded.

To follow-through, the Malaysian delegation has come to Bangladesh to assess the recruitment process before a streamlined method is drafted.

Stocks go back to black

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Stocks returned to the black yesterday following news on the meeting between the Securities and Exchange Commission and the stakeholders to decide on the directors and sponsors who failed to comply with regulatory rules.

The benchmark General Index of Dhaka Stock Exchange finished the day at 4,741.94 points after gaining 65.95 points or 1.41 percent.

The market remained volatile as the SEC sat with the stakeholders to decide about the directors who could not hold 2 percent shares, LankaBangla Securities said in its market analysis.

However, the SEC has not issued any directive for directors and sponsors, who failed to hold jointly 30 percent and individually 2 percent shares in own companies.

"Turnover remained low like most other recent sessions due to lack of spontaneous participation of investors," IDLC Investments said in its daily market commentary.

Turnover fell 40.35 percent from the

previous day. A total of 0.59 lakh trades were executed with 3.85 crore shares and mutual fund units changing hands on the Dhaka bourse.

All the major sectors registered gain yesterday. Textile rose 3 percent, non-bank financial institutions 2.83 percent and cement 2.29 percent.

Of the 264 issues that traded on DSE, 216 advanced, 25 declined and 23 remained unchanged.

Lafarge Surma Cement was the most traded stock with Tk 10.32 crore shares changing hands, followed by Meghna Petroleum Ltd with Tk 10.02 crore.

Bangladesh Industrial Finance Company was the top gainer at 9.8 percent, while Meghna Cement was the worst loser with 5.74 percent.

The Chittagong Stock Exchange rose, with the Selective Categories Index rising 158.7 points or 1.79 percent to 9,014.63 points.

The port city bourse traded 63.89 lakh shares and mutual fund units with a turnover of Tk 29.71 crore. Gainers beat losers 141 to 28 with 15 securities remaining unchanged.



Humayun Rashid, managing director of Energypac Power Generation, and Li Jia Jiang, sales manager for South Asia of Zoomlion, attend a programme where the two companies signed a deal in Dhaka on Monday. Energypac will import the latter's machinery to Bangladesh.

Promoters of NBFIs form new body



M Matiu Islam

Rashidul Hasan

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An association of promoters of non-bank financial institutions -- Financial Institutions Promoters' Association -- was formed with M Matiu Islam as chairman and Rashidul Hasan as vice chairman recently.

Islam is also the chairman of Industrial and Infrastructure Development Finance Company and Hasan is also the chairman of Uttara Finance, according to a statement of the association yesterday.

The association was formed to raise voice on matters of common interest of the promoters of NBFIs, according to the statement.

The body also aims to act as a forum with whom Bangladesh Bank, the Securities and Exchange Commission or other regulatory bodies can interact on policy matters.

BKMEA polls postponed

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The election to the governing body of Bangladesh Knitwear Manufacturer and Exporter Association (BKMEA) for 2012-14 has been postponed, the association said yesterday.

The election board of the association postponed the poll, which was due to be held tomorrow, following an order from the commerce ministry, according to a statement.

The board also decided to announce a fresh schedule and send it to the members of BKMEA as per the ministry order, it said.

Low rate of spending and aid utilisation

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As the economy entered into the last quarter of FY2011-12, all the macroeconomic correlates associated with balance of payments (BoP) were moving downwards. At the end of the first 10 months attaining export growth target appears to be impossible.

Of the exported products, knit-RMG has underperformed significantly. Export to the US market has been rather weak while since January 2012 export earnings from the EU has also started to decline. Export earnings from non-traditional markets were impressive, but inadequate to sustain overall export growth.

Moreover, slowdown in private investment may also adversely affect export-oriented industries in the coming months. The gloomy global outlook, along with the possibility of prolonged crisis in the Euro zone and slow recovery in the US economy do not promise any quick exit from the depressed ongoing reality. Indeed, export growth has fallen into negative terrain in recent months (March-April).

On the other hand, imports did not see a significant reduction, leading to heightened pressure on the BoP position. Growth of import payments in the current fiscal year originated mainly from the higher import demand for liquid fuel as about one-third of the incremental import payments came from import of these products.

Import of petroleum products registered a whopping 39.2 percent growth in July-March of FY2011-12. In contrast, import payments for other commodities registered only 8.5 percent growth. Indeed, in the backdrop of import pressure (along with subsidy requirement), the government is not utilising fully the capacity of liquid fuel-run quick rental power plants.

It may be anticipated that the high growth of petroleum import will be maintained, as growth of L/Cs opening for import of the petroleum stood at 75.9 percent during the first three quarters of FY2011-12.

In the face of a widening trade balance, the commendable growth of remittance inflow, could not keep pace with the widening trade deficit. Despite some improvements, foreign aid inflow remained below par.

The BoP and consequently the value of Taka against foreign currencies remain on shaky ground. Without support in the form of higher net inflow of foreign aid, BoP will continue to remain vulnerable in the near term.

With the looming uncertainties in the developed world, external sector balances will likely to be under some pressure over the next months. Hence, there is a need for renewed attention to maintain production and investment friendly environment in order to stimulate export earnings in FY13.



BRAC

BRAC Executive Director Mahabub Hossain and Chairman of BRAC Bank Mohammad A (Rumi) Ali attend the launch of the development organisation's 2011 annual report at BRAC Centre Inn in the capital yesterday.

BRAC sets vision for future: self-reliance

STAR BUSINESS DESK

BRAC has been in operation for the last 40 years, but the organisation still has a lot more to learn, said its Executive Director Mahabub Hossain yesterday.

"We strive to remain youthful through continuous learning. We have always wanted to be self-reliant. At the initial stage, we were fully reliant on donors. It has now come down to a mere 30 percent."

BRAC plans to become fully self-reliant when Bangladesh emerges as a middle-income country in future, he said.

Hossain spoke at the launch of the 2011 annual report of the non-governmental organisation, at BRAC Centre Inn in the capital.

"The driving force of BRAC businesses is social responsibility. This is written in our DNA. Our businesses define CSR in the best way," said Muhammad A (Rume) Ali, managing director of BRAC Enterprises and Investments.

BRAC operates 37,452 pre-primary and primary schools across the country, from which over 92.80 lakh disadvantaged children have graduated so far, according to the report.

In the health sector, the organisation employs over 91,000 healthcare givers who provided prenatal care to 44,000 pregnant women, and antenatal care to 8.60 lakh mothers.

BRAC identified malaria in 3.13 lakh patients, and tuberculosis treatment

has been given to 4.64 lakh patients, the report said.

The report focused on the development organisation's partnership with the government in over 50 programmes. "This relationship is a thriving example of such productive ventures in the country," the report said.

According to the government's policy and initiative, BRAC has guaranteed the necessary services to almost 9.3 million people across the country.

The organisation is also working with the government for the development of tenant farmers. Bangladesh Bank has given a loan of Tk 50 crore to BRAC to provide financial support to these farmers, the organisation said in a statement.

BRAC provides support to its 113 million clients through more than 90,000 workers. Last year, the total expenditure for BRAC was \$572 million.

The report also highlighted the 40 innovations of BRAC, as the organisation celebrated its 40th anniversary this year.

As an added measure to the success of National Tuberculosis Control Board in combating tuberculosis epidemic throughout the country, BRAC has ensured the support of its 90,000 field level workers to disseminate the programme's objectives to the grass-root people.

SN Kairy, chief financial officer of BRAC Group; Faruque Ahmed, BRAC International's deputy executive director, and Asif Saleh, director for communications, were also present.

End crisis in Ashulia garment factories

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The minister also said the recent incidents of unrest at different garment factories in Ashulia were based on rumours and confusions, not on the ground of demands for salary increases and other financial benefits.

"All the rumours and confusions will be removed if the garment owners, government officials, local political leaders and the workers' representatives hold a meeting and reach a consensus to run the factories smoothly," the minister said.

The minister also urged Talukder Md Towhid Jong (Murad), an Awami League lawmaker from the Ashulia and Savar constituency, to take more responsibility to resolve the crises in the garment factories in the area.

India moves to boost exports by 20pc

PALLAB BHATTACHARYA, New Delhi

India yesterday announced a raft of measures to achieve a 20 percent increase in exports to \$360 billion and boost manufacturing and exports from northeastern states, amid global economic uncertainty.

Releasing the annual supplement to the five-year Foreign Trade Policy, Commerce Minister Anand Sharma said the government would soon come out with a new guideline to revamp spe-

cial economic zones (SEZ) and export oriented unit (EOU) schemes to boost the shipments.

"These measures will infuse necessary confidence in the exporting community and provide required dynamism even in this gloomy time," Sharma said, adding the government will watch the global economic developments closely and "shall intervene effectively to ensure that Indian exports stay well on course for achieving the targets".

Myanmar's investment summit in June

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New Myanmar Investment Summit 2012 will be held in Yangon on June 20-21, according to a statement. The summit will review the outlook of investments in Myanmar and serve as a platform for foreign investors to get investor information.

The summit is themed as Business Strategies and Successful JVs. It will provide pointers on key clauses of the newly reformed country's new Investment Law, advice on acquiring land conces-

sions for investment, financing, foreign loans and security issues.

PROBE, a Dhaka-based news magazine, is a media partner of the event.

U Htin Aung, director general of energy planning form Myanmar's Ministry of Energy, and many high officials of important business houses are scheduled to attend.

The USA, EU, Australia, Canada, Japan and many other countries, including Bangladesh, are keen to engage in business with Myanmar.



GRAMEENPHONE

Tanveer Mohammad, chief technical officer of Grameenphone, announces the launch of a photo competition -- Click Green -- to raise awareness marking the World Environment Day in Dhaka yesterday. Safiuddin Ahmed, president of Bangladesh Photo Journalist Association, was also present.



BRAC BANK

SN Kairy, chief financial officer of BRAC Group, launches the "Go Green with e-Statement Campaign", in Dhaka yesterday to mark the World Environment Day. Syed Mahabubur Rahman, managing director of BRAC Bank, was also present.