

# Sahara deal had flawed approach: minister

STAR BUSINESS REPORT

Communications Minister Obaidul Quader yesterday acknowledged the flawed approach employed by the government in the lead-up to its agreement with the Indian conglomerate Sahara Group.

"The government should have discussed the matter of whether the real estate sector needs any foreign investment with its own stakeholders, mainly the local developers, before anything else," said Quader.

The comment comes at a time when local developers are increasingly protesting the government decision to allocate 1 lakh acres of land near Dhaka to Sahara Group for the purpose of building a satellite township around Dhaka.

"Had the government done so, the frustration the local developers are feeling now could have been averted. The potentially beneficial outside investment has now left a bad taste in the mouth at home, with all the confusion and dissatisfaction surrounding it," he added.

Quader spoke at the inaugural ceremony of fourth Rehab Summer Fair organised by the Real Estate and Housing Association of Bangladesh (REHAB) at Bangabandhu International Conference Centre in Dhaka.

Supplementing the communication minister's remarks, Khandaker Shawkat Hossain, housing and public works secretary, said the government would not cre-



Visitors crowd a stall on the first day of the REHAB Summer Fair organised by Real Estate and Housing Association of Bangladesh at Bangabandhu International Conference Centre in Dhaka.

ate any uneven competition in the sector.

"Rest assured the government would not initiate any uneven competition in the real estate sector by allowing large investment from abroad and depriving the locals."

"What's more, we are open to pitches from local developers with a feasibility study and a draft containing the terms and conditions of MoU," he added.

Hossain further said the government is prepared to work with the local land and

apartment developers on a public-private partnership (PPP) basis to build satellite townships around Dhaka.

The communication secretary also stressed the need for building planned and eco-friendly housing for all, and reminded the developers to adhere to the rules.

"We have to graduate from our present image. When we talk with influential foreign donors they talk in a way that we are thieves and they are quizzing us," Hossain said.

"We must work ethically, and align the image according to our state principles."

Enamul Haque, a lawmaker and a developer, urged the government to allow investment of black money in the housing sector and to reinstate 19 B Section of income tax law, which would ease the price fixation process of per square foot of land.

Participants in the four-day show are expecting to receive an impressive response from the visitors, especially on Friday and Saturday.

"We are expecting a good number of visitors every day, but most bookings would come over the weekend," said a sales person of Heritage Skyline Ltd that was displaying five-star hotel projects in Cox's Bazar at the fair.

Of the 166 establishments exhibiting at the fair, 161 are showcasing land and apartment projects in and around Dhaka, Chittagong, Sylhet and Cox's Bazar, while the remaining five are displaying building materials.

The fair will remain open from 10am to 8pm with a fee of Tk 50 for single entry and Tk 100 for multiple entries (four-times), until June 17. All ticket proceeds will be donated to the poor, said the organisers.

Rehab will organise press briefings at 7pm every evening to provide updates to the media, while raffle draws will be announced at 7.30pm.

Sultana Shaheda Islam, acting president, and Murad Iqbal Chowdhury, general secretary of Rehab, also spoke.

## Lafarge Surma gets new boss

STAR BUSINESS DESK

Tarek Elba has been appointed as the chief executive officer of Lafarge Surma Cement Ltd, the cement maker said in a statement yesterday.

"The building materials landscape in Bangladesh is changing rapidly and we will have to adapt with the changes in order to maintain leadership of the building materials industry," Elba said.

"We must get closer to our market and to our customers, leverage the strength of our brand and stretch our capacity and capabilities," he added.

Before joining Lafarge Surma Cement, Elba served as commercial director of Lafarge Cement Egypt, with an annual capacity of 10 million tonnes.

He has more than 20 years of experience in different commercial activities: sales, marketing, international trade, customer service, and business development in both cement and steel industries, in addition to a



## UCB's new additional MD

STAR BUSINESS DESK

Mirza Mahmud Rafiqur Rahman has recently been promoted to additional managing director of United Commercial Bank, the bank said in a statement yesterday.

He was serving the same bank as deputy managing director before the promotion. He has also been company secretary of the bank for long.

Rahman has extensive experience in corporate affairs, business development, human resources and



## Stock investors protest Muhith's remark

STAR BUSINESS REPORT

Small investors once again staged a demonstration yesterday in front of the Dhaka Stock Exchange to urge government high-ups to refrain from imprudent comments on the stockmarket.

Angry investors, under the banner of Bangladesh Share Investors' Association (BSIA), lunched the demonstration following the finance minister's remarks on the market.

AMA Muhith castigated the share market saying, "The whole market is evil."

"I am 'ekdom' [totally] fed up... The market is not performing well," he told reporters replying to a query at the secretariat on Wednesday. He also said he has a medicine for it, which will come letter.

Reacting to Muhith's remark, Kazi Abdur Razzak, general secretary of BSIA, said the stockmarket reacted negatively to Muhith's remark.

He also urged the government to implement the stimulus package of SEC as early as possible to bring back normalcy to the market.

The benchmark General Index of DSE, DGEN, market tracking index of DSE was down by 1.28 percent or 59.9 points, to finish the week at 4,620.71 points.

Market analysts said institutional and small investors are adopting wait-and-see approach to observe the court's outcome on the SEC's special power and investors' reactions to market based on court's verdict.

They were also puzzled following the minister's repeated negative comments on the stockmarket, the analysts said.

## BB tightens loan rules

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"I am yet to go through the directives. But it seems that conditions for loan rescheduling have become strict," he said.

The central banks' directives came at a time when default loans are piling up in the banking sector due mainly to sluggish business.

Default loans rose 11.68 percent to Tk 25,298 crore in the first quarter to March from Tk 22,644 crore on December 31, 2011, according to BB data.

"It will make banks more resilient to face unwanted risks and shocks," said Md Anwarul Islam, deputy general manager of Banking Regulation and Policy Department of the BB.

The central bank said the directive was given in line with 'international best practices' for loan classification and provisioning.

"Lending to unproductive sectors will drop due to the changes in the rules for classification, provisioning and rescheduling," said the BB in a press statement.

Also, the reluctance among borrowers to repay loans will be reduced to a great extent, it said.

"This will help banks to look at accounts with potential problems in a focused manner and will capture early warning signals for accounts showing first sign of weakness," the central bank said.

The BB also said the move will widen access for efficient entrepreneurs to financial services and increase credit flow to the productive sectors.

However, Anis A Khan, managing director of Mutual Trust Bank, said the reduced time for loan classification might affect banks' non-performing loan ratios,



Masud Biswas, general manager of Bangladesh Bank, inaugurates Western Union services at Islami Bank Bangladesh at Sonargaon Hotel in Dhaka on Tuesday. Mohammad Abdul Mannan, managing director of IBBL, and Roy Fernandez, director of operations for East and South Asia of Western Union, were also present.



Masud Rahman, CanCham president, and Raihan Shamsi, chief executive officer of GPIT, shake hands over a partnership agreement signed at Ruposhi Bangla Hotel in Dhaka on Tuesday. Heather Cruden, Canadian high commissioner to Bangladesh, was also present.

## Samsung unveils Galaxy S III

STAR BUSINESS DESK

Samsung Galaxy S III with a catchphrase -- designed for humans and inspired by nature -- hit Bangladesh markets yesterday.

It is a sleek and innovative smartphone with enhanced intelligence to recognise users' voice and intentions, Samsung said in a statement.

The GALAXY S III has a 4.8 inch HD Super AMOLED display and is powered by Android™ Ice Cream Sandwich.

Unveiling the device, Choon Soo Moon, managing director of Samsung Electronics' Bangladesh Branch Office, said: "This exciting smart phone has been designed to be both effortlessly smart and intuitively simple."

"The Galaxy S III is packed with smart and intelligent features that enable it to understand and respond to your actions providing the most seamless, natural and human-centric mobile experience," he added.

Hasan Mehdi, head of mobile of Samsung Electronics Bangladesh Branch Office made a presentation on the device.

Supported by 1.4 GHz quad core processor, the phone has exciting features such as double-speed Wi-Fi, built-in 16 GB memory (expandable up to 64 GB), 4.0 Bluetooth and a long lasting 2100 mAh battery. The phone has been priced at Tk 67,500 in Bangladesh.

## Azad: RMG workers deserve pay hike

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Azad also said, only the workers are not responsible for the unrest in the sector, some other groups are also playing behind the scene.

He said workers and owners should work together to end the crisis.

The protests will spread across the country if the government and industry leaders fail to control the situation, he added.

Turning down the workers' demand for raising their salary, BGMEA President Shafiul Islam Mohiuddin said food inflation declined to 7.4 percent recently from 11.91 percent in December. "So there is no logical reason for a pay hike," he said.

Non-food inflation is high and so the industrialists will request the local people not to increase house rents too much, said Mohiuddin.

He also said the industry is facing problems, as the cost of doing business increased by 10 percent compared to that in the last fiscal year.

"This is due to high interest rate on bank loans, and gas and power crises," he added.

## CanCham, GPIT ink collaboration deal

STAR BUSINESS DESK

A strategic partnership agreement ceremony between Canada Bangladesh Chamber Commerce and Industry (CanCham Bangladesh) and Grameenphone IT Ltd (GPIT), was held at the Ruposhi Bangla Hotel in Dhaka on Tuesday, said a statement yesterday.

The major objective of the agreement is to create awareness for the Bangladeshi IT companies to build new capabilities and generate new business in the North

American markets.

Both sides will arrange seminars and workshops to facilitate IT business, send business delegates to North American countries, arrange training for representatives of different stakeholders and do research work.

Masud Rahman, president of CanCham, and Raihan Shamsi, chief executive officer of GPIT, signed the agreement.

Heather Cruden, the Canadian commissioner to Bangladesh, was also present.

## 7.2pc GDP growth hinges on three criteria

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"There is no connection between the economic growth and other components such as investment and export growth prediction."

A big portion of the annual development programme remains unimplemented every day, Sen said.

"If the central government cannot implement it, then it should be passed on to the local government. ADP implementation through local government will also increase government's popularity," he said.

Mustafizur Rahman, executive director of Centre for Policy Dialogue, said if the government wants to achieve a

higher economic growth, it needs to bring out more reforms.

"We have seen the first generation reforms such as privatisation, and now it is time for second generation ones such as demutualisation in the capital market and formulation of financial reporting act," he said.

"The proposed budget mentioned 1,027 projects, of which only 35 are new, while the rest of them are the projects that have been either carried over or need to be conducted in the next fiscal year," he cited.

From a political viewpoint, implementation of next fiscal year's budget would be vital for the government itself, he added.



Choon Soo Moon, managing director of Samsung Electronics Bangladesh Branch Office, unveils the Samsung Galaxy S III at a ceremony held at the Westin Hotel in Dhaka yesterday. Hasan Mehdi, head of Samsung mobiles, was also present.



Nasiruddin, chairman of Northern General Insurance Co Ltd, attends the company's annual general meeting held in Kakrail, Dhaka, on Wednesday. The company declared 15 percent stock dividends for 2011. Mohiuddin Ahmed, managing director (current charge), was also present.