

DHAKA TUESDAY JULY 31, 2012, e-mail:business@thelystar.net

Nepal's 100 items may get duty-free entry to Bangladesh

REFAYET ULLAH MIRDHA

Bangladesh may give Nepal a duty-free access for 100 of its products, especially vegetables and agricultural ones, as those have a higher demand in Bangladesh, said an official of the commerce ministry of Bangladesh yesterday.

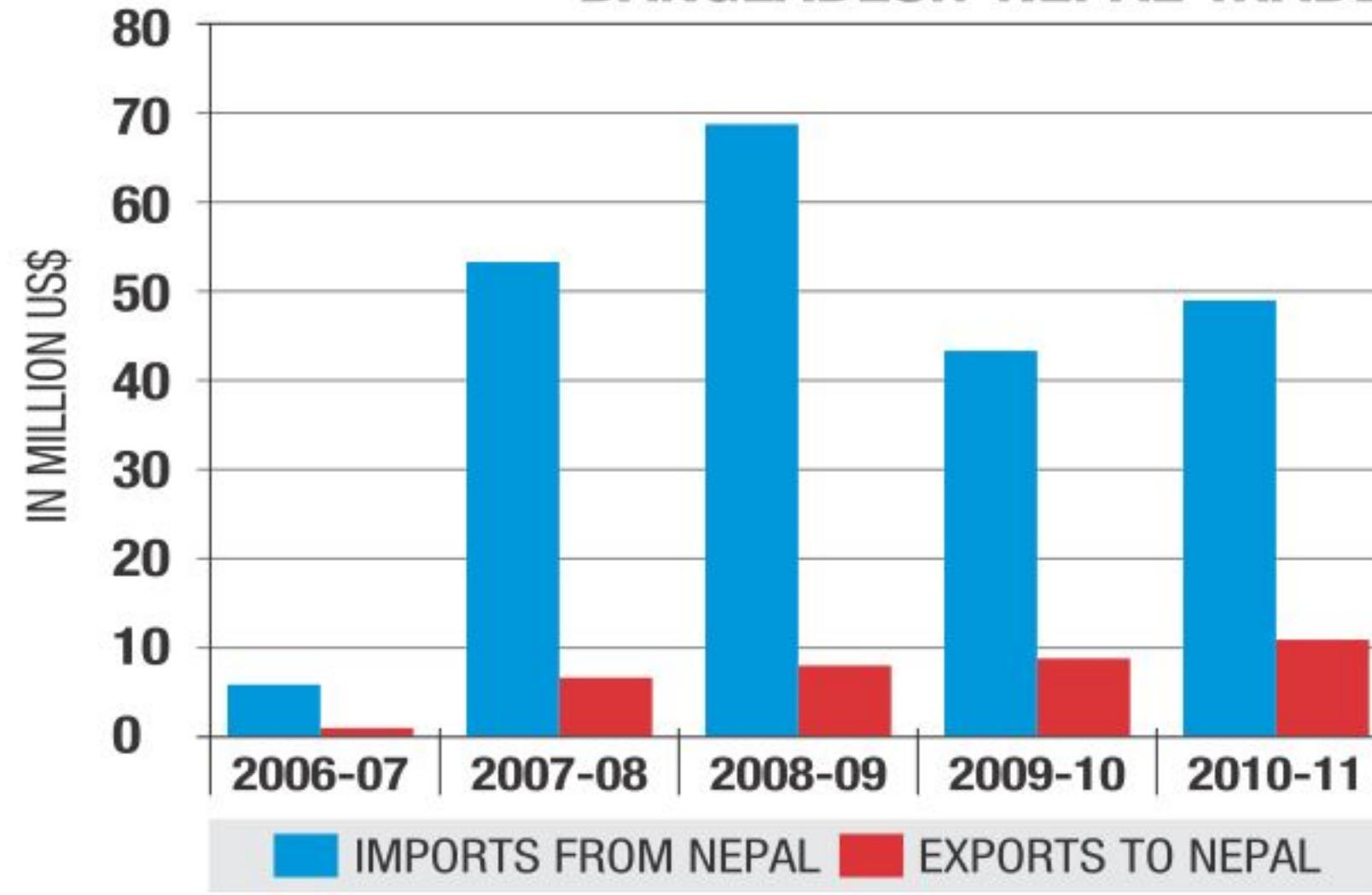
On the other hand, Bangladesh sought from Nepal a duty cut on exports of electronics goods, pharmaceuticals and agro-processed food items, said Commerce Secretary Ghulam Hussain.

Currently Bangladesh and Nepal are in talks to boost bilateral trade through a reduction in duties in overseas trade.

In the ongoing fourth secretary-level meeting in its capital Kathmandu, Nepal also demanded transit facility for smooth transportation of goods between the two countries, said the official.

In the discussion, which began on Sunday, Nepal also called upon Bangladesh to sign the Double Taxation Avoidance Agreement as many Nepalese students come to Bangladesh for higher studies. Nepal has already signed such a deal with India.

"During the meeting Nepal proposed allowing a duty-free access of 100 of its products, especially farm and vegetables," Hussain told The Daily Star over telephone from Nepal.



"We are in talks now. Nothing is finalised yet. Nepal demanded the duty-free benefit. We have formed some committees for conducting feasibility studies on the demand," he said without elaborating further.

An eight-member Bangladeshi delegation is in Nepal to attend the secretary-level meeting and to discuss bilateral trade issues. Hussain is leading the team, which returns home today.

As lentil is the major export item of Nepal, the country particularly demanded the duty-free access for lentil and tomato as its exporters face difficulties while exporting these produce to Bangladesh due to higher duties.

Another senior official of the

commerce ministry said Bangladesh wants Nepal to use Mongla Port instead of premier Chittagong Port, which is already burdened with cargoes.

Trade between the two countries is in favour of Nepal as Bangladesh imports bulk lentils from Nepal.

Bangladesh exports electronics goods, garment items, agro-processed food items and pharmaceuticals products to Nepal.

According to data from the commerce ministry, Bangladesh exported goods worth \$10.84 million to Nepal in fiscal 2010-11, while imported products of \$49.00 million.

Another senior official of the

BB bars banks' purchase of fixed assets

STAR BUSINESS REPORT

The central bank yesterday imposed restrictions on purchase or lease of fixed assets, including land, by commercial banks.

Under the new rules, a bank cannot buy land, building or floor space, except for the use of its headquarters, Bangladesh Bank said in a notice. Fixed assets cannot be taken as lease for more than 10 years.

However, a bank can buy or lease floor space for its branches provided that it has approval from the banking regulator.

Different commercial banks have invested heavily in fixed assets which pushed up its prices significantly in the past few years.

"We've found that investments in land purchase have increased abnormally, which goes against a bank's core business," a senior official of the central bank said.

Earlier in 2010, Bangladesh Bank asked banks to stop financing for land purchase as an increased flow of credit to the unproductive sector is adversely affecting the economy.



Middle, Latifur Rahman, chairman of Transcom Group, receives a crest from Md Fazlul Hoque, president of Bangladesh Employers Federation (BEF), at a programme in the capital yesterday, as Rahman has recently won the Oslo Business for Peace Award. Mahbubur Rahman, president of ICCB, and Rokia Afzal Rahman, former president of BEF, are also seen.

Call for better labour relations

Transcom Chairman Latifur Rahman suggests sincere effort to improve working conditions

STAR BUSINESS REPORT

Winner of Oslo Business for Peace Award Latifur Rahman yesterday called for bringing about improvement in labour relations in industries for sustainable business.

He made the call at a reception hosted by Bangladesh Employers' Federation (BEF) at the Chamber building in Dhaka.

The appeal from Rahman, chairman of Transcom Group, came as the garment sector faces labour unrest.

"This has to be taken seriously," said Rahman, the first Bangladeshi to win the award, which is dubbed as the highest distinction given to a businessperson for

outstanding accomplishments in ethical business.

He called upon entrepreneurs in the garment sector to rethink trade unionism, which he said is a part of sustainable business.

He said the BEF, which is also connected with the International Labour Organisation, should play a proactive role in improving labour relations.

Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh, said Latifur Rahman has become the pride of Bangladesh and its business community by becoming a global icon of ethical business.

READ MORE ON B3

Demutualisation gathers pace as SEC forms panel

STAR BUSINESS REPORT

The Securities and Exchange Commission has formed a three-member panel to look into the demutualisation of stock exchanges.

The stockmarket regulator asked the committee headed by SEC Executive Director Farhad Ahmed to examine whether the broad principles are being followed by the two bourses in their preparations for demutualisation, and report by August 2.

Another report the SEC wants from the panel, on August 14, is a review of the draft law handed in by the Dhaka bourse to the finance ministry and the stockmarket regulator.

Demutualisation is simply a process which would transform the stock exchange from an entity owned by stockbrokers to a public company owned by shareholders.

The process is conducive to sound corporate governance and operational efficiency.

Bangladesh's stock exchanges are now non-profit cooperative organisations, owned by exchange members who are predominantly stockbrokers.

READ MORE ON B3

Regulator defers flight suspension plan by one month

STAR BUSINESS REPORT

The Civil Aviation Authority of Bangladesh (CAAB) has deferred its previous plan by one month to suspend flight operations for eight hours daily to reconstruct the lone runway of Hazrat Shahjalal International Airport.

The suspension plan was to be effective from November 1 to April 30, 2013. In line with the new schedule, the aviation authority will suspend all flights from December 1 to May 30, 2013 from 11pm to 8am daily to complete the runway overlay works, according to a CAAB letter.

The new decision is meant to pave the way for smooth operation of hajj flights.

The CAAB sent the letter to all operators, including airlines, cargo carriers and relevant government agencies on Sunday.

"Since more than one lakh Bangladeshis are going to perform hajj this year, we need to plan flights without hassles and delays. So we have decided to defer the plan for a month," said Wing Commander SM Nazmul Anam, director

for flight safety and regulations of CAAB.

"We have informed all operators and relevant agencies about the new schedule and sent letters to them. We have requested them to adjust their flight plans with the new timing," he said.

Apart from the timing, other plan details, such as increasing manpower in the immigration and ground-handling departments, will remain the same, he said.

Shah Amanat International Airport in Chittagong and Osmani International Airport in Sylhet will be ready for emergency landing during these six months, Anam added.

The aviation authority started the reconstruction of an asphalt concrete runway overlay at Shahjalal International Airport on June 3 after a six-year delay.

With this, the 10,500 feet runway of the airport is likely to get enough physical strength to handle heavyweight and wide-body modern aircraft.

The runway reconstruction is part of a Tk 530 crore airport-upgrade project.

BB clarifies banks' bond investment

STAR BUSINESS REPORT

Bangladesh Bank (BB) issued a notice on Sunday clarifying mandatory investments by primary dealer (PD) and non-primary dealer banks in government securities.

Twelve PD banks must buy 60 percent of unsubscribed T-bills and bonds and 25 non-PD banks will receive the remaining 40 percent. It means if PD banks buy all the securities on auction, non-PD banks will not have to buy any bond or bill.

The BB in a notice on last Tuesday introduced a new policy that said the PD banks will have to buy 60 percent of government treasury bills and bonds, compared to 100 percent earlier.

The non-PD institutions must accept the remaining 40 percent, according to the notice to be effective from tomorrow.

The new notice issued Sunday said non-PD banks would not be considered as PDs despite their investments in gov-

ernment securities, but they will get assured liquidity support from the central bank.

The banking regulator has selected 15 PDs -- 12 banks and three non-bank financial institutions -- to deal with the government-approved securities in the secondary market.

Currently, three treasury bills -- 91-day, 182-day and 364-day -- are being transacted through auction to adjust the government borrowing from the banking system. Four government bonds with five-year, 10-year, 15-year and 20-year tenures are also being traded in the market.

Meanwhile, the Federation of Bangladesh Chambers of Commerce and Industry said the involvement of non-PD banks in government treasury bills and bonds would reduce the banks' cash for commercial investments.

"These banks will not be able to invest in the productive sector," FBCCI said in a statement.

NFL Triple Crown
Triple your money

Call us: 01733 959 507,
01717 031 764
or 01199 800 610

www.nfl.com.bd

AAA
Highest Safety

AAA credit rating for the 6th consecutive year

DBH Deposits
01711 816671, 8816001

MTB Smart Banking (Kiosk)
have it your way

24/7 ATM

24/7 Bills Pay

24/7 Deposit Machine

Customer Service
(Extended hours from 9 am to 9 pm)

Mutual Trust Bank Ltd.
you can bank on us

www.mutualtrustbank.com

Have it your way whenever you bank

3 MTB Smart Banking (Kiosks) and growing
Gulshan Avenue | Banasree, Rampura | GEC Mor, Chittagong

MTB Smart Banking (Kiosk)

16219 or +88 096040 16219